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THURSDAY, JULY 13, 1950



## ARE YOU FILING DOLLAR\$ AWAY?

AMERICANS are buying *more* and *more* household necessities and conveniences.

This buying avalanche means more and more Dwelling Contents *not* fully insured under old policies.

There is a big market here for you—just as there was on increased building values not so long ago—and three big helps are already working for you:

**1.** Every purchase made recently spotlights the big increase in prices over 10 years, 5 years, even a year or two ago—your policyholders realize fully the *increase* in values.

**2.** The accumulated additions of home furnishings, equipment and appliances are substantial in value—your policyholders *want* their new things protected.

**3.** You already *know* your policyholders and their insurance situation—your policyholders are a ready-made prospect list.

So clearly is increased coverage on Dwelling Contents needed—and wanted—that you will often need only a telephoned reminder call before renewal . . . and that means more premiums for you, adequate protection for your clients.

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TRANSCONTINENTAL INSURANCE COMPANY

UNITED NATIONAL INDEMNITY COMPANY

EXECUTIVE AND ADMINISTRATIVE OFFICES, HARTFORD 15, CONN.

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MEMBER THE ASSOCIATED AVIATION UNDERWRITERS



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## Name Home State Receiver for Rhode Island

### Rehabilitation Is Aim— Hopps, Resigning, Says Creditors Fully Protected

Rhode Island Insurance Co. has now been placed in temporary receivership in its home state and a hearing is to be held July 20 in superior court for Providence county on the appointment of Thomas J. Meehan as permanent receiver. Mr. Meehan is director of business regulations of Rhode Island and Jesse B. White, former president of Rhode Island Ins. Co. has been named as deputy conservator with power to operate and administer the affairs of the company. While this is officially a receivership, the order of the court and other circumstances give it the color of a rehabilitation proceeding and the door is apparently left open to carry on operations as a going concern if feasible and to release the company from court jurisdiction eventually if its condition warrants.

Stewart B. Hopps, the chairman, it was announced, disagreed with the decision of the other directors to request "protective custody" of the company by the state of Rhode Island and, therefore, he resigned.

Mr. Hopps stated that he "could not disagree with the motive of the board and resigned rather than embarrass the directors."

### Proceedings Are Friendly

The proceedings were of a friendly nature. Apparently a way was sought to set up a rehabilitation program, but there is no Rhode Island law that stops short of an outright receivership. There was the further dilemma that there must be allegations of mismanagement or insolvency in order to justify appointment of a receiver.

The bill for receivership was brought by John F. Hartnett, secretary of Rhode Island Ins. Co., in his capacity as a stockholder and policyholder. This does not allege mismanagement or insolvency, but rather "avers that the downward trend" of the company's "financial status has been greatly accentuated" by certain developments, and "unless such trend is halted in the very near future, there is imminent danger that the company will shortly be unable to meet its obligations as they become due, and might even become insolvent."

The action of the board in deciding to throw in the sponge in this way, so to speak, came closely on the heels of the decision of a sub-committee of the valuations committee of National Assn. of Insurance Commissioners, that the debentures of Doeskin Corp. are worthless. Rhode Island has \$800,000 of such debentures in its portfolio. At Dec. 31, 1949, Rhode Island claimed assets of \$8,215,797 and policyholders surplus of \$2,002,995. The bill for appointment of receiver stated that by March 31 of this year, the assets had dropped to \$6,552,036.

Mr. Hopps in a statement declared that he was convinced that despite trouble with the various states "friendly to California," Rhode Island Ins. Co. had enough business left "to pull

## Sales Clinic Scheduled for N.A.I.A. Parley

A sales clinic will be a feature of the annual convention of National Assn. of Insurance Agents at Chicago, Oct. 2-5.

Participating in this session, scheduled for Wednesday morning, Oct. 4, will be Austin T. Flett, a prominent Chicago insurance producer, who will present an actual sales solicitation of a buyer of insurance, in which "meeting mutual competition" will be demonstrated. Mr. Flett has been aggressive in combating mutual competition and has sponsored an advertising campaign in Chicago newspapers outlining the comparative merits of mutual and stock insurance.

Also as part of the sales clinic, Emil L. Lederer, of the Stewart, Keator, Kessberger & Lederer agency of Chicago, who is chairman of the N.A.I.A. fidelity and surety committee, will give a talk on "Dishonesty Insurance — a Sales Opportunity." In an informal question-and-answer period, Mr. Lederer, assisted by E. C. Anderson, assistant secretary of Surety Assn. of America, will answer queries.

Concluding speaker of the clinic will be Dr. Laurence J. Ackerman, dean of the school of business administration at University of Connecticut. He will talk on the psychology of making a sale, the title of his address being "The Sales Track."

The sales clinic, along with the other convention features, will turn the spotlight on the "Accent on You — The Agent!" This is the theme for the convention.

through if it radically reduced its overhead." The majority of the directors, however, he said, felt they had no right to risk policyholders' funds on this possibility.

Mr. Hopps states that, based upon the latest available audits made by independent certified public accounting firms and by insurance departments, there are enough assets to pay every creditor in full and leave a substantial amount for stockholders, "but the board felt that the extraordinary legal expenses and extraordinary accounting expenses inherent in our arguments with California and certain other states might wipe out this margin of safety and imperil policyholders and that it was thus best to stabilize the situation while there was a virtual surety of there being sufficient assets to pay everyone in full."

The court order authorizes the receiver to take possession and preserve the assets, collect the debts, conduct the business of the company including the writing of new policies "in such jurisdiction as he may deem for the best interests of the company and where such policies may be written without imperiling the rights of either new or old policyholders." It is specified that "nothing herein contained shall constitute an adjudication of insolvency; nor shall any contract to which the corporation is a party, including without limitation, insurance policies, reinsurance contracts and agency contracts be affected by the entry of this decree; nor shall this decree entitle any policyholder or agent . . . to cancel any policy . . . except in accordance with the terms of such policy."

The temporary receiver is authorized to pay losses in due course or defer payment as he sees fit, to pay return premiums or defer such payment as he

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## Wm. Penn Fire Rescue Possibilities Are Studied

HARRISBURG — The prolonged William Penn Fire valuation proceedings may crystallize soon, it is reported here. But officials of the Pennsylvania department who participated in a conference of a valuation subcommittee of National Assn. of Insurance Commissioners at New York have no definite reports on developments. Meantime, the company is not restricted by the Pennsylvania department in its operations.

The key question is the valuation of the \$1,300,000 of debentures of Doeskin Corp., that are carried by William Penn at 84 cents on the dollar. The N.A.I.C. subcommittee arrived at a decision that these assets are worthless and on that basis the William Penn situation is critical.

Lengthy meetings were held Monday in an attempt to arrive at some plan that would save the day. William Penn is owned by National of Denver and that company in turn is owned by Doeskin Corp.

Among the plans considered, according to rumor, is the possibility of reinsuring; perhaps with some of the Pennsylvania companies, the sale of the company to interests that would put additional money in it, and rehabilitation proceedings.

Officials of the Pennsylvania department, headed by deputy commissioner Oscar A. Kottler, Tuesday were conferring with representatives of William Penn Fire at Philadelphia in an attempt to arrive at an agreement on the value of securities held by William Penn for annual report purposes.

The session was a continuation of Monday night meeting of William Penn officials with Commissioner Leslie and members of his staff at Harrisburg.

Mr. Leslie said a decision is expected soon, but will hinge considerably on the reports of department representatives at Philadelphia.

### Confer With Company Executives

Among company executives who met earlier with Mr. Leslie were P. M. Mell, executive vice-president, and P. Stephen Stahlnecker, secretary-treasurer of William Penn, and Lowell Birrell, chairman of Doeskin Products Corp.

If the Pennsylvania department gives its approval to a plan for clear sailing for William Penn, it is rumored that the agreement may be conditioned on some changes in top management.

Georgia Commissioner Cravey has suspended Wm. Penn's license and ordered it immediately to quit doing business in the state. The order does not prohibit cancellation of policies, Mr. Cravey advised.

It is understood a proposal of reinsurance from Louisville Fire & Marine is under consideration.

### Mink Loss Theory Exploded

ST. PAUL—The Winnipeg flood has exploded one theory that has been held about mink losses. St. Paul Fire & Marine covered a large number of mink farms in the flood area and claims will not be as heavy as first expected. It has always been thought that mink with kits just born if unduly disturbed would destroy their young. However, St. Paul reports several hundred mink with new kits were moved, with the loss of only seven.

The O'Brien Co. agency has been incorporated at St. Paul with offices in the First National Bank building. Incorporators are Michael A. O'Brien, Frank J. Hammond and William F. Johns, Jr.

## Seek to Telescope Escott Hearings in Middlewest

### Opponents Don't Consent to Multi-State Procedure at St. Paul

Four states have scheduled a hearing at St. Paul, July 25 on the Escott plan of multiple location risk rating, they being Minnesota, Wisconsin, Nebraska and North Dakota. Commissioner Harris of Minnesota had invited all of the states in Western Actuarial Bureau territory to schedule their hearings at the same time and place. An attempt is being made here to preserve the identity of the individual state proceedings and to avoid the appearance and legal implications of a merger of the interests of the various states.

At the recent Quebec convention of National Assn. of Insurance Commissioners, there was held one evening a gathering of commissioners from the middlewestern states to discuss the possibility of holding a joint hearing but America Fore, which is the leader among the companies opposing the Escott plan, expressed firm objection to such a course, saying that the laws of the various states differ in various respects and that by agreeing to such a group procedure, the opponents would be running the risk of forfeiting rights of appeal.

### Position Is Unchanged

America Fore's position in connection with the proposed St. Paul hearing, it is understood, is the same as that company group expressed at Quebec which is that the states cannot legally hold a group hearing. It is also understood that the position of the opponents of the Escott plan, that join with America Fore in contesting adoption of that plan, is the same as was expressed at Quebec.

This attempt on the part of the commissioners in the middlewest to make haste on the Escott plan comes as something of a surprise to those who feel that the present efforts to find a solution for the multiple location risk rating problem are nearing a solution. At Quebec it was freely rumored that the companies are getting close to a solution based on the principle of hinging the gradation of premiums to size of risk only and eliminating the loss experience factor, which is the cardinal point of opposition on the part of the opponents of the Escott plan.

In any event, it is certain that there will be a number of middlewestern states that will not enter into the St. Paul hearing because of their belief that such a procedure could not be clearly subdivided into individual state hearings in strict accordance with the legal requirements.

Mr. Harris insists that the hearings will not be "joint." He states that they will be individual hearings conducted simultaneously by the individual states with each state appointing its own hearing official and with each state free to decide its own actions.

Mr. Harris said he would conduct the hearings in behalf of Minnesota and

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# Implores Insurers to Master Radiation Hazard Underwriting

## Oak Ridge Executive Director Urges Risk Evaluation Studies

William G. Pollard, executive director of Oak Ridge Institute of Nuclear Studies, in addressing the convention of International Assn. of Insurance Counsel at White Sulphur Springs declared that radiation is a hazard capable of being evaluated, discovered, determined and controlled with an accuracy and reliability equalled in the case of few other hazards. Like ultraviolet from the sun, he observed, radiation produces no sensation at all on those exposed to it. This adds to the hazard, but it can be measured accurately and easily in a variety of ways. A large number of radiation detection devices and instruments are available today commercially.

Workers in the national atomic energy plants and in laboratories and hospitals using radioactive material all individually wear simple radiation detection devices like fountain pens, which give them a daily record of the radiation they have received. As a check, a photographic film is worn in a badge-like affair which provides a separate weekly record of the total cumulative radiation received. Using hand-monitoring instruments, they are able to get an immediate accurate reading of the radiation level at each new working space for each job they do. If the radiation is too great, temporary shields of lead or iron bricks are built until the radiation has been brought to a safe level. Also automatic monitoring devices are available that give out a definite warning whenever the radiation level in any working space exceeds a given value. With proper organization and control the amount of radiation in all areas accessible to personnel is always known and controlled within a completely safe range and permanent records of the radiation received by each individual are maintained.

### Record Amazingly Good

As a result of these controls, an amazingly good record has been maintained at the large atomic energy installations from the beginning of their operations. People working continuously around the large nuclear reactors at Hanford and at Oak Ridge have for seven years received no more radiation in this whole period than they would from one or two chest X-rays or a few visits to a shoe store with X-ray fitting equipment. And this in spite of the fact that behind the thick radiation shields surrounding these reactors, the nuclear processes going on inside produce radiation continuously at a rate equivalent to that from many, many tons of radium. The radiation hazard can be controlled on a routine, day-by-day, continuous basis with an assurance and lack of loopholes which few other industrial hazards possess.

The insurance companies, he said, "can do us a great service in our efforts to get on as rapidly as possible in the expanded development of this new field if they will get into this business right away, determine for themselves and to their own satisfaction the exact nature and controllability of the risks involved, and establish definite procedures for underwriting them in an intelligent manner. Several companies have made a good start in this direction already, but for the most part they are relying on the assurances of their clients for the evaluation of risks. We shall not achieve a sound and stable long term basis of operation until they are prepared to render on their own account well considered and independent judgments on these matters. For those of us who have faith in the great potentials of this new field lying beyond the imme-

diated difficulties and problems, this seems a challenging opportunity indeed for the underwriting profession. I do hope some of you will feel that this is the case and will do your utmost to bring about a careful consideration of such a policy by the companies you represent."

### Similarities Are Noted

The similarities of the military and peacetime aspects of the subject are much less pronounced than the differences when the question at issue is the impact of atomic energy on underwriting.

The damage produced by an atomic explosion of the Hiroshima type may be separately described for property and for personnel. For the evaluation of property damage note must be taken of comparatively long range instantaneous flash fires from radiant heat energy and the intense high pressure shock wave which travels outward in the air from the center of the explosion.

"All of you at some time have formed an image of the sun with a large magnifying glass on a piece of paper and seen it ignite immediately. This effect is produced momentarily in an atomic explosion on a vast scale and it represents one of the ways in which an atomic bomb is radically different from an ordinary bomb. For a brief period following the explosion, the bomb really constitutes a small sun at a temperature equal to or higher than that at the sun's surface. Heat is radiated from it at the speed of light in exactly the same way as it is from the sun. As a result, even at a distance of two miles from the explosion, dry combustible materials are immediately flash ignited and telephone poles are heavily charred. More powerful bombs than that used at Hiroshima would increase the range of this effect but not in direct proportion. A bomb twice as powerful would increase the flash fire range about 25%.

### Damage From Blast

"The other source of property damage in an atomic explosion is that from blast. The sudden production of solar temperatures in the explosion produces a sudden large increase in the temperature of the air with a consequent violent explosion. The resulting high pressure shock wave travels outward at high velocity in a rapidly expanding spherical shell. On arrival at a distant building there is first a sudden and large increase in pressure which has a crushing effect on the walls and roof of the building. This overpressure subsequently drops back to normal in about a second's time but during this phase an intense wind wind blows in the same direction as the advancing shock wave. On passing through normal pressure, a suction phase lasts for several seconds.

"At a distance of 4,000 feet from the point of detonation the pressure phase lasts three quarters of a second, the maximum overpressure is 10 pounds per square inch and the wind velocity 270 miles per hour. The side wall of a building 50 ft. high and 100 ft. long facing the blast would be subjected to a force of 3,600 tons under this pressure. At two miles the overpressure is 2 pounds per square inch, the wind velocity 60 miles per hour, and the duration of the pressure phase one and a quarter seconds. The force on the same side wall would be 700 tons.

"The effect on a building is much like that of an earthquake with a violent lateral push in one direction followed closely by a weaker but still powerful push in the opposite direction producing

a shaking or wracking action on the building. In Japan buildings designed to meet the most stringent earthquake proof building codes survived the blast well. On the other hand, brick or concrete block structures with load bearing walls disintegrate under the wracking action on the building. Reinforced concrete or steel frame buildings of good design are fairly secure, although a number of other factors must be considered. A recent study for the National Security Resources Board recommends a design for a lateral force equal to 10% of the building weight or for a horizontal wind force component of 90 pounds per square foot.

"The high wind velocities encountered carry much debris, particularly flying glass. A great amount of property damage is done by this flying debris. Another effect of the wind is to fan the fires ignited at the instant of explosion by the radiation. These are started well in the advance of the arrival of the blast as in the time interval between lightning and thunder. The wind follows with just enough delay to be most effective and its reversal in the suction phase makes this effect particularly serious. Thus many buildings which survived the pressure effects of the blast in Japan were found to be completely gutted with fire. Fireproof construction, particularly in interior furnishings and drapes is thus of great importance.

### Much Information Available

"The main point which will be of interest to you is that a great deal of information is available which can be employed for the evaluation of any given building for underwriting purposes with respect to its chances of surviving an atomic blast at a given distance from it. This I think is a point of some importance to the underwriting profession. The other risks involved are as intangible as war itself. How likely or unlikely it is that atomic or any other bombs will be used within a given period of time at a given location is a question not answerable by atomic energy or any science. But here we go over entirely into your field and come into an area of risks that the underwriting profession has at least always had to cope with. That part of the problem I will, therefore, leave with you. My only point is that once you

have settled that part of the risk in your customary way, it is of value, I believe that you know that the information is available by means of which a fairly reliable evaluation of the risk of damage to a given piece of property can be made. The information will be available in some detail in a forthcoming book on the nature of damage from atomic weapons, sponsored by the atomic energy commission. A brief presentation of this material is given in a pamphlet recently published by the National Security Resources Board under the title 'Damage from Atomic Explosion and Design of Protective Structures.'

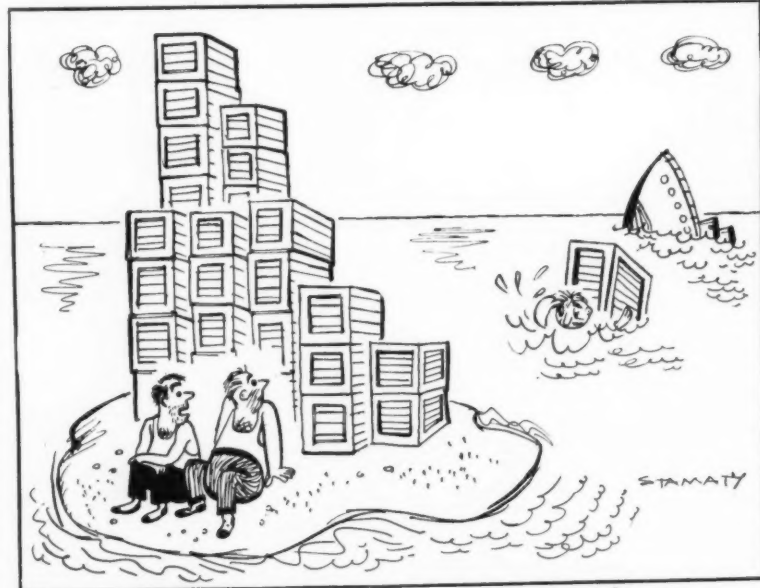
"As to the situation with respect to hazards to personnel, here in addition to injury and death from falling buildings, flying debris, fire, and flash burns which are more or less common to injuries from ordinary bombs, there is an additional and new source peculiar to atomic bombs. This is radiation injury. Since this form of injury is also the most important new hazard in the peacetime beneficial development of atomic energy, it would be necessary for us to look into it rather closely later on. Here we need only say that it constitutes an added hazard capable of causing death on its own account up to a distance of about 1,500 yards from a Hiroshima type bomb.

### Personnel Hazards Great

"The personnel hazards in an atomic explosion are certainly very great and include the radiation hazard on top of all the usual ones plus the problem of instantaneous flash burns which is more or less unique to atomic weapons. But aside from this general statement, there does not seem to be much more that can be said from an insurance standpoint. The actual death toll in a given atomic bombing would depend on many factors such as the adequacy of shelters, warning could be given, the number of people in buildings capable of withstanding the blast, the adequacy of subsequent medical care, etc. Like all cases of civilian populations, the risks depend on many intangibles. If underwriters have ways of evaluating such risks for ordinary bombing, I feel sure that the same techniques could be applied to atomic bombing, and that the necessary information for doing so can be obtained."

When it comes to the great beneficial peacetime developments which are expected from atomic energy, a very real problem is faced in the insurance field. "This problem arises for the underwriter from fear and emotional block which the words radiation and radioactivity inspire."

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"HE'S AN OFFICIAL OF THE COMPANY THAT INSURED THE CARGO, SURE DESERVES A PROMOTION."



# Brokers Watch Deductible Moves With Sharp Eye

## Big Operators Decide Aggressive Action Will Be Called For

The big brokers are giving the closest attention these days to developments in the field of the fire insurance deductible. They all feel that this is something that can't be denied despite their distaste for a plan of underwriting that in the aggregate seems bound to take a sizable block of premium income out of the market. The brokers realize that they can't be caught napping on this distance or accounts will be taken away from them by aggressive competitors. It will be seized as an opportunity by many of the big producers to gain entree to new accounts, even though they appreciate that in the long run application of the deductible across the board would have a depressing effect upon their entire business.

### Many Inquiries from Insured

The brokers have already received inquiries from a number of insured and some of the latter are asking that their business be converted to a deductible basis even though the normal expiration is a couple of years or so away. For instance the Kiplinger Letter mentions that fire insurance deductible in all cases plans are available and this is known to have elicited inquiries. This is something that insured could have had right along from Lloyd's but the non-admitted market perhaps has not had the appeal. Insured probably feel that they can now get the same kind of engineering and brokerage service from admitted companies under a deductible plan as they have had with full coverage and that makes the prospect more inviting. Until and unless deductible covers are available in most or all of the states, and from a pretty good segment of the market, brokers are going to have difficulty in setting up deductible covers. However, plans are being set up where under the deductible is used in the states where it is permissible.

### Much Speculation

There is a great deal of speculation as to where this all may lead. If it results in a substantial diminution of premium income, it may work a hardship on the brokers and make it difficult for them to render the kind of service that they have been accustomed to giving, and it may distort the expense ratios of the companies. If the same kind of service is rendered for deductible customers as in the past, the extra cost will have to be charged back into the rate. There is likely to be a churning about of business as aggressive brokers utilize the market that exists at the moment to set up competitive plans involving the deductible provision. It is in the nature of a Korean decision for the brokers and the present indications are that they intend to take the course of positive action and go out to get as much new business as they can with the deductible as well as protecting the business on their books by at least letting their clients know what can be had. Although the deductible comes to the front at this time as a means mainly of providing a substitute for old I.U.B. programs, some underwriters vouchsafe that there is such an insistent demand for such schemes from larger accounts that the departure was bound to come sooner or later.

## ARNOLD TO CHICAGO

# Goldsmith, National Board 43 Year Veteran, Retires

Col. Clarence Goldsmith, assistant chief engineer in charge of the National Board's Chicago office, is retiring after 43 years of service. He is succeeded by John H. Arnold, engineer in the New York office.

Col. Goldsmith joined the board following graduation from M.I.T. and was placed in charge of the Chicago office when it was established in 1918.

In both world wars he served as an expert on fire protection. For nearly two years in the last war he worked with chemical warfare service assisting in the development of incendiary bombing techniques. He was also chief consultant on fire protection for the office of civilian defense. In 1944 O.C.D. awarded him its service bar in recognition of 4,000 hours of unpaid service contributed to civilian defense.

During the last months of war in Europe he aided the U. S. strategic bombing survey in studying the effects of the bombing of the Ploesti oil fields in Rumania and incendiary bombing in Germany, and helped work out bombing data used by the army air force in its final attacks on Germany.

Mr. Arnold has had long experience as an engineer on the Board's municipal survey work. In the first war Mr. Arnold held a commission in the army engineers. During the second war he inspected army installations and shore establishments as part of the Board's cooperation with the War and Navy Departments.

## Graves Announces Rates to Be Cut in Arkansas

LITTLE ROCK — Commissioner Graves has announced that fire insurance rates in Arkansas will be reduced substantially very shortly, although he did not know as yet which risk classifications the reduction would affect. The announcement came following completion of the annual underwriting profit compilation made by the department on the business of stock fire companies operating in Arkansas, whose underwriting profit by law is limited to 5% based on experience of the preceding five years. Mr. Graves said the report for 1945-1949 showed a profit in excess of the 5% of 2.93, or \$1,398,903. The law requires the commissioner to adjust fire rates downward so that the underwriting profit will be limited to 5%.

Mr. Graves said the work of Arkansas Fire Prevention Assn. and associations which cooperate with it was an important factor in bringing about the reduction.

## Potomac Appoints New Oregon General Agent

Potomac has appointed Hinchman-Rolph & Landis as managing general agents for Oregon. The agency now represents Potomac in California.

The company will operate in Oregon in both the fire and casualty fields. Hinchman-Rolph & Landis maintains branches at Los Angeles, Oakland, Sacramento, Fresno, Portland and Seattle.

## Becomes Koenig Agency

The name of the G. H. Garretson agency, A. & H. general agency in Chicago has been changed to the W. J. Koenig agency. The agency continues to operate in the Board of Trade building.

W. J. Koenig has been the operating head of the agency since 1944 when Mr. Garretson, his father-in-law, died. Prior to that time, Mr. Koenig had been in the real estate business. Mr.

# Expect Lively Flock Rally

## Herrick, Young to Provide Election Excitement for Blue Goose Meeting

The Grand Nest meeting of Blue Goose this year at French Lick, Ind., Aug. 7-11, will be of unusual interest since there are two candidates for the office of grand keeper. This is the lowest elective office, but it leads through succession to the top post of most loyal grand gander.

In addition, it is expected that there will be some lively debate on the question of proportional representation, whereunder the larger ponds would be allowed expenses to send more than two representatives to the annual convention.

Paul M. Fell, Middle Department Rating Assn., Philadelphia, is slated to succeed J. Ray Hull, American States, as most loyal grand gander. Charles L.

Beale, Yorkshire, Dallas, will become grand supervisor; Sam L. Sterling, ad-juster, Winnipeg, will become grand custodian; and John Henry Martin, Standard Forms Bureau, San Francisco will move up to grand guardian.

R. A. Kenzel, Caledonian, is grand welder, and he will undoubtedly be re-appointed to that office.

It is the turn of the middlewestern states to place a man in line in the Blue Goose official family. Alex B. Young, special agent of Hartford Fire in Mis-souri, entered the contest at the 1945 convention in Minneapolis. Clarence B. Herrick, Yorkshire state agent in Mich-igan, was put into the running by the Michigan pond at a meeting in June, 1948.

## ALEX YOUNG

Alex B. Young has been with Hart-ford Fire for 31 years. His membership in Blue Goose dates back to 1922.

Mr. Young was elected most loyal gander of the Heart of America pond in 1945 and he has been sent as dele-gate to every grand nest convention since 1944. He has also served as deputy most loyal grand gander to the Nebraska, Kan-sas and St. Louis ponds.

While Mr. Young was M. L. G., the Heart of America pond won the grand nest membership cup with a 48% gain.

In 1946 he conceived the idea of a regional meeting at Joplin and guaran-teeed the expense with his own money. The next year 135 Ganders from eight ponds attended and it is now a per-manent institution with a charter as the Mohawk Flight. Four member ponds, Arkansas, Oklahoma, Kansas and Heart of America rotate sponsorship. This re-gional meeting serves as a little grand nest convention for those who are un-able to attend the larger meetings in distant parts.

In 1947 Mr. Young was president of Missouri Fire Prevention Assn., and in that year Missouri led all states in achievement. Mr. Young is serving on the governor's fire safety committee of Missouri. He is an engineer, a graduate of Colgate University and is taking the C.P.C.U. course.

Campaign manager for Mr. Young is Charles M. Mills, North British. Mr. Mills points out that the grand nest convention is "overdue in the Heart of America territory." Kansas City is the geographical and population center of the country, and Missouri borders on seven states.

The pond has gotten out a very at-tractive leaflet describing Mr. Young's qualifications.

Koenig is A. & H. general agent for General Accident and Illinois Mutual Casualty.

Carl Ernest Hurst, general agent for Phoenix of Hartford, was tendered a testimonial dinner at Boston, in honor of his 50th anniversary with the com-panies.

He was employed by Connecticut Fire as a clerk. In 1926 he was ap-pointed special agent in eastern Massa-chusetts, Maine, New Hampshire and Rhode Island; special agent for Equi-table Fire & Marine in 1927; state agent in 1931 and general agent for all com-

## C. B. HERRICK

Clarence B. Herrick is a native Mich-iganer. He served in the first war with the navy and started in the insurance business in 1924 with Michigan In-spection Bureau. For the past 14 years he has been in the field. He was with Loyalty Group from 1936 to 1945, joining Yorkshire as state agent the latter year.

Mr. Herrick has been a Blue Goose member for 24 years and was most loyal gander of the Michigan pond in 1944-45. He was a delegate to the grand nest convention in 1944 and subsequently attended the meetings in 1948 and 1949. He has been deputy most loyal grand gander for Ohio, Indiana and Illinois.

Mr. Herrick has been a member of the executive committee of the Michigan Fire Prevention Assn. and is a past president of the Michigan Bureau Field Club.

### Benallack to Nominate Herrick

The Michigan pond decided about 2½ years ago that if they could place a man in line for most loyal grand gander and obtain the grand nest conven-tion for Michigan, it would be in the way of an honor also to William T. Benallack, retired secretary of Detroit F.&M., who is the oldest living past most loyal grand gander. Mr. Benal-lack holds the record for attending the most grand nest conventions, having missed only two for unavoidable rea-sons. He is the grand old man of Blue Goose, and he will be the one who will enter the nomination of Mr. Herrick at French Lick.

E. C. Saulcy, Great American, is chairman of the campaign committee for Mr. Herrick. Michigan hopes to hold the grand nest convention at Mackinac Island, which is a famous summer resort.

panies Jan. 1, 1950. He is a past presi-dent of Bay State Club and New Eng-land Insurance Exchange, is a past exalted ruler of the Hartford Elks.

## Fla. Solons Organize

The interim committee of the Florida legislature to make recommendations for overhauling the insurance laws at a meeting at Tallahassee, selected Sen-ator Henry S. Baynard of St. Peters-burg, as chairman and Rep. Scott Hough of Lee county, vice-chairman.

Beneficial Standard Life has entered Minnesota.



Alex Young



C. B. Herrick

## Teachers Learn About Insurance On-the-Job

The college-business exchange program of Foundation for Economic Education of Irvington-on-Hudson, N. Y., this year has three times the number of insurance companies participating as in 1949.

Under the program college teachers of economics and business subjects spend a six-week period during July and August at the company home offices studying operations to get first hand, on-the-job business experience. Many teachers have moved directly from academic training into their profession without business background. The program helps business in that teachers become acquainted with its

operations and use their increased knowledge in discussing the business world with students.

Some business men have felt that educators would be less critical of business operations if they knew more about them.

The participating companies pay the teacher's transportation costs plus \$300 to cover living expenses for the six week period. The money is not intended to be large enough to make it a summer job. It is intended to help defray the cost of taking advantage of the educational opportunity.

### Program Expanding

The program began in 1948 on a small scale and expanded in 1949. Last year 27 colleges and 21 firms participated. This year 59 colleges are represented and 51 firms are providing scholarships. The total number of fellows this summer is 74 as compared with 32 in 1949.

There are 13 life companies participating in the program this year compared with six in 1949. Four fire and casualty companies are taking part.

The names of the fellows, the colleges they represent, and fire and casualty companies they will visit are:

Walter E. Boles, Jr., Southern Methodist University, Employers Casualty; George G. Connelly, Williams College, Royal-Liverpool; Paul M. Dauten, Jr., Missouri Valley College, American Mutual Liability; James H. Greene, Purdue University, and James G. Hawk, University of Missouri, North America companies.

## Lloyd Yaudes Resigns from Wisconsin Department

MADISON, WIS.—Lloyd J. Yaudes, an actuary of the Wisconsin department for more than 25 years, has resigned to become director of public relations of Wisconsin Mutual Insurance Alliance.

Mr. Yaudes has been with the Wisconsin department since 1924. Following graduation from University of Wisconsin in 1923 he took a post-graduate course and then entered state service in the actuarial field. He served as acting deputy commissioner during the term of Commissioner Duell. He will assume his new post Sept. 1.

A brother, Sidney Yaudes, is an official of Time, Milwaukee A. & H. insurer.

Wisconsin Mutual Insurance Alliance is an organization of Wisconsin mutual casualty and fire companies and is composed of Wisconsin Assn. of Mutual Casualty Companies, Wisconsin Federation Mutual Insurance Companies, Wisconsin Assn. of Town Mutual Companies, Wisconsin Mutual Tornado Alliance.

The executive offices are located in the Washington building at Madison. The Alliance deals with development of methods for reducing accidents and losses, promotion of sound insurance legislation, and the dissemination of information as to insurance services.

Willis Blank of Cedarburg Mutual Fire is president of the alliance. J. E. Kennedy of Madison is executive secretary, and until his recent death, Harold M. Wilkie of Madison was general counsel.

## MacNicholas Chicago Jones & Whitlock Head

Jones & Whitlock, Inc. announces the selection of Lawrence R. MacNicholas as vice-president and manager of its Chicago office.

Mr. MacNicholas has a broad background in the insurance field having previously been associated with Alexander & Alexander for 18 years and more recently with Scarborough & Co., Chicago. He is fully conversant with the problems of producers.

Jones & Whitlock, Inc. established in 1840, are inland marine managers for American Home, Globe & Rutgers, State of Penna., Hanover and Fulton, and in addition have extensive binding contracts and facilities with London Lloyds.

Harry F. Legg has been the Chicago manager.

## Twin Cities Insurance Phone Directory Ready

Copies of the 1950 edition of the Minneapolis-St. Paul Insurance Telephone Directory have been distributed to local subscribers by the National Underwriter Co. The 76 page book lists insurance and associated offices in the two cities alphabetically, with their phone numbers. Additional copies may be ordered at \$1 each from the Cincinnati office, 420 East Fourth street, or the Minneapolis office, 558 Northwestern Bank Building, of the National Underwriter.

Lelah Sieber, who has operated the North Dayton agency at Dayton, O., has sold it to Borchers agency.

## Nat'l Board Symbol Unlike Arsonist's Red Indian

National Board has issued a statement regarding the quotations attributed to the young confessed arsonist at Columbus, O., that he was excited to set many fires because of a flaming red Indian, which was identified in newspaper stories as the "Fifth Horseman" that is used by National Board in its fire prevention advertising.

"News stories from Columbus," the National Board states, "have reported that Robert Dale Segee, 20, former circus roustabout, has confessed setting the circus fire in Hartford on July 6, 1944, which took 168 lives."

"The National Board has just received a copy of a drawing of the red Indian which Segee is said to have made. Segee's drawing of an Indian, and tomahawk shows no resemblance to the hooded horseman symbol used by the National Board."

"Furthermore, the flaming horseman symbol used by the National Board was adopted in June, 1948, nearly four years after the Hartford circus fire which Segee is alleged to have caused. It was first published in an advertisement in Life on June 28, 1948."

"For these reasons the National Board believes that there is no connection between Segee's alleged hallucinations and the symbol used in its fire prevention campaign."

"Life Magazine, which has prepared a story on Segee, informed the National Board that their editors see no resemblance between Segee's drawing and the Fifth Horseman, and are not bringing the National Board angle into their story."

## Welch, Christiani in Home Adjusting Changes

Home has appointed Frank J. Welch as manager of the loss department at Dallas. He will serve for the present in association with Manager Henry V. Christiani under the general supervision of Secretary Warren L. Gravely.

Mr. Christiani has been assigned to Philadelphia as assistant general adjuster in charge of the loss department effective Oct. 1.

Mr. Welch joined Home in 1929 as a clerk in the western department. He was transferred to the loss department in 1940, and in 1941 was transferred to Columbus as adjuster. In 1944 he was appointed staff adjuster at Indianapolis. In 1946 he was appointed special agent for the western department in Indiana and in 1947, associate state agent in that territory.

## Amend N. J. Rating Law

The New Jersey governor has signed a bill incorporating certain refinements to the all-industry rating measures that were adopted subsequently to the original enactment of the New Jersey law. This includes recognition of advisory rating organizations and provision for joint underwriting and joint reinsurance.

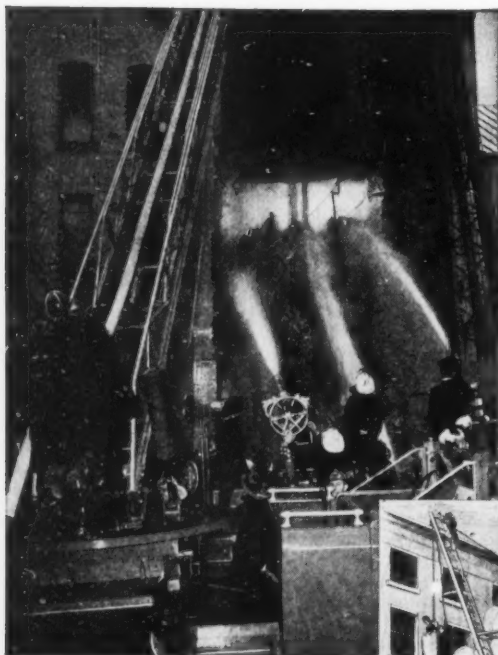
## Neary to American's H. O.

American has appointed Edmund M. Neary as field supervisor in the home office.

Mr. Neary, who has been special agent at Camden, will be replaced by Oscar H. Linderth, special agent. John S. Latimer will be associated with Mr. Linderth.

Mr. Neary has travelled throughout New Jersey as a special agent, and more recently he has had charge at Camden.

John R. Kline, Hutchinson, Kan., local agent, is recuperating in St. Elizabeth Hospital there following an appendectomy.



Effective Protection



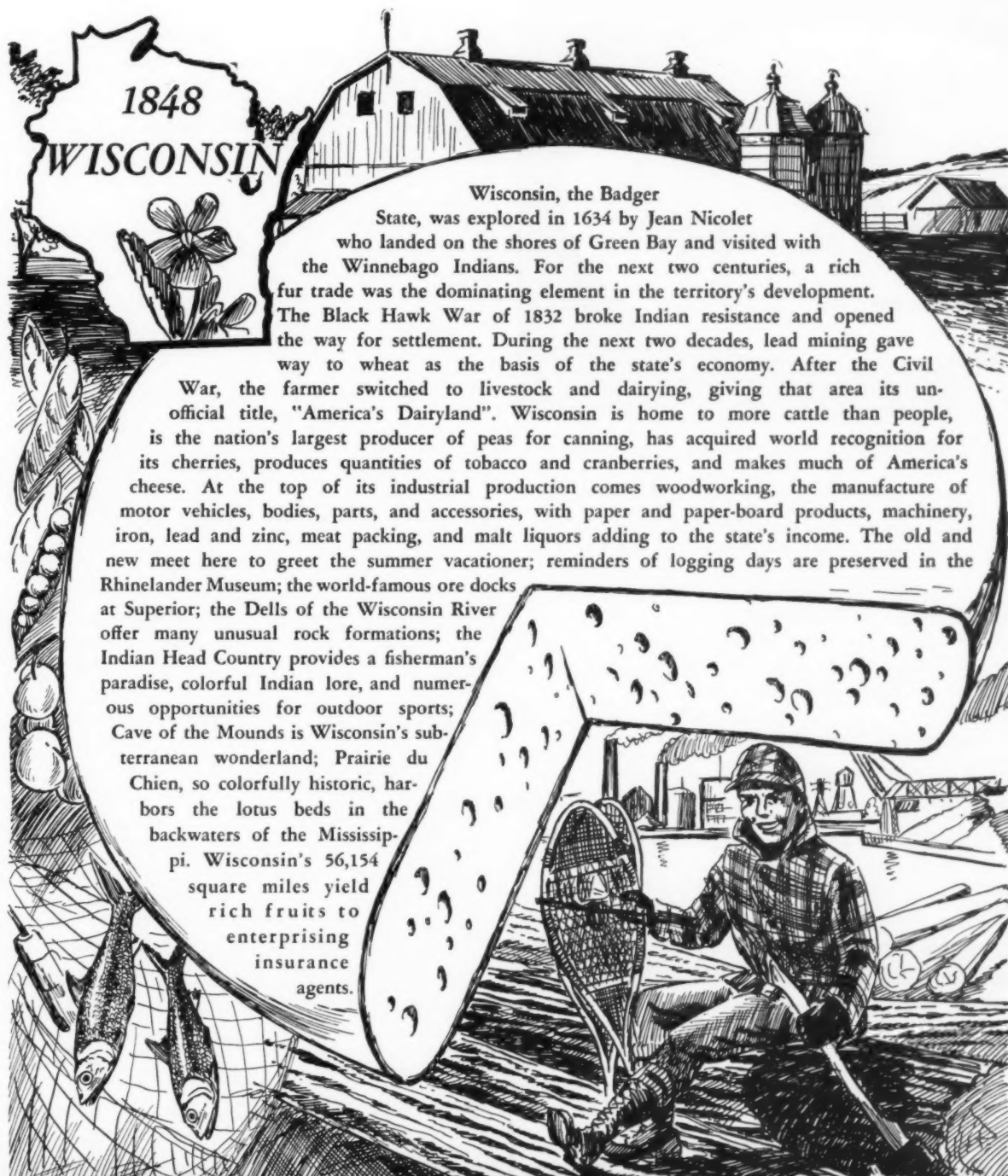
Loss of life and property due to fire is dependent to a large extent upon the speed with which fire-fighting apparatus can answer an alarm. Fire departments have met the problem of higher buildings and greater distances with fast, powerful, efficient equipment. This progress has been matched in the insurance field, too. For the past 150 years, Caledonian agents have pointed with pride to progressively better service to their policy-holders.

## The CALEDONIAN Insurance Company

FOUNDED 1805

EXECUTIVE OFFICES • HARTFORD, CONN.





1848

WISCONSIN

### Wisconsin, the Badger

State, was explored in 1634 by Jean Nicolet who landed on the shores of Green Bay and visited with the Winnebago Indians. For the next two centuries, a rich fur trade was the dominating element in the territory's development. The Black Hawk War of 1832 broke Indian resistance and opened the way for settlement. During the next two decades, lead mining gave way to wheat as the basis of the state's economy. After the Civil War, the farmer switched to livestock and dairying, giving that area its unofficial title, "America's Dairyland". Wisconsin is home to more cattle than people, is the nation's largest producer of peas for canning, has acquired world recognition for its cherries, produces quantities of tobacco and cranberries, and makes much of America's cheese. At the top of its industrial production comes woodworking, the manufacture of motor vehicles, bodies, parts, and accessories, with paper and paper-board products, machinery, iron, lead and zinc, meat packing, and malt liquors adding to the state's income. The old and new meet here to greet the summer vacationer; reminders of logging days are preserved in the Rhinelander Museum; the world-famous ore docks at Superior; the Dells of the Wisconsin River offer many unusual rock formations; the Indian Head Country provides a fisherman's paradise, colorful Indian lore, and numerous opportunities for outdoor sports; Cave of the Mounds is Wisconsin's subterranean wonderland; Prairie du Chien, so colorfully historic, harbors the lotus beds in the backwaters of the Mississippi. Wisconsin's 56,154 square miles yield rich fruits to enterprising insurance agents.



**CRUM & FORSTER**

MANAGER

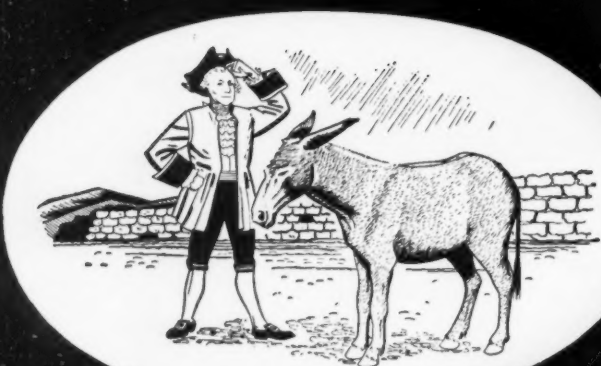
110 WILLIAM STREET • NEW YORK 7, NEW YORK

UNITED STATES FIRE INSURANCE CO. . . . . Organized 1824	THE WESTERN ASSURANCE CO., U. S. Branch . . . . . Incorporated 1851
THE NORTH RIVER INSURANCE CO. . . . . Organized 1822	THE BRITISH AMERICA ASSURANCE CO., U. S. Branch Incorporated 1833
WESTCHESTER FIRE INSURANCE CO. . . . . Organized 1837	SOUTHERN FIRE INSURANCE CO., Durham, N. C. . . . . Incorporated 1923
THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh . Organized 1868	

WESTERN DEPT. FREEPORT, ILL. • PACIFIC DEPT. SAN FRANCISCO • SOUTHERN DEPT. ATLANTA • ALLEGHENY DEPT. PITTSBURGH • CAROLINAS DEPT. DURHAM, N. C.



## Fascinating First Facts!



### THE FIRST "JACK" IN AMERICA

The first jackass in America was sent to George Washington by the King of Spain. Washington, the gentleman farmer, was not satisfied with the scrawny mules imported from the West Indies. Learning of Washington's interest, the king sent him a full-blooded jackass in 1785, the first to arrive in America.

... and not the last. Whenever you run across some one "stubborn as a mule" the streamlined coverages of the Saint Paul Companies are mighty good action persuaders!

Members, American Foreign Insurance Association, offering world-wide insurance facilities.

### ST. PAUL FIRE and MARINE INSURANCE COMPANY MERCURY INSURANCE COMPANY ST. PAUL-MERCURY INDEMNITY COMPANY

First chartered almost a century ago

EASTERN DEPT.  
75 Maiden Lane  
New York 7, N. Y.

HOME OFFICE  
111 W. Fifth St.  
St. Paul 2, Minn.

PACIFIC DEPT.  
Mills Building  
San Francisco 4

1910

1950

## FORTY YEARS

of factual appraisal service to  
America's more conservative business institutions



IMPARTIAL VALUATIONS  
of  
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PROPERTY

DISTRICT OFFICES IN ALL PRINCIPAL CITIES

The Lloyd Thomas Co.

RECOGNIZED EVALUATORS ON PHYSICAL VALUES

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## Wind Deductible for Midwest Debated Anew

The question of a windstorm deductible for the middlewest is being discussed anew and with quickened interest due to the May 5-6 storm that produced probably 400,000 claims. Here a deductible would have caused a tremendous swing. It would have been a pint-sized blow if the insurers had not been liable for the first \$50 of loss. However, opinion is still sharply divided. Those that had advocated the deductible previously are using this storm to fortify their argument. Some that were on the fence have perhaps become deductible converts, but there is still a solid and influential core of opposition.

There is quite a variety of opinion on the \$50 deductible for the windstorm portion of extended coverage. This pro and con situation exists within the same companies; that is, the western manager of a company will be strongly opposed to the deductible as a trouble breeder, while the eastern manager will favor it. There is lacking a clear, strong, active sentiment in the east now for the adoption of a deductible, at least to the extent that much is going to be done about it right away.

The western people had pretty consistently seemed to think the deductible would be a trouble breeder as it is in the car collision field where claims are padded by insured as the latter get educated to the situation.

### In Force in Three States

The mandatory \$50 deductible is in force in Massachusetts, Rhode Island and Connecticut; the optional is in effect in New York and Maine. The plan has not been filed in any other state. Rate increases in Kansas and Oklahoma have left the level there higher than the E.C. rate in the east. With each fresh catastrophe, the rate has to go up, and the level reaches a point where some of the good business is squeezed out. Where the E.C. rates get too high, insured may go back to a 50% windstorm coverage.

The eastern territory couldn't stand another north Atlantic hurricane at present E.C. rates. Agency sentiment in the east, some think, is swinging to mandatory deductible. New Jersey, Pennsylvania and Maryland agents originally were violently opposed to any form of deductible. They have now more or less accepted the idea of an optional deductible, which is quite a change in viewpoint. But many company underwriters think the optional would not work.

Opponents of the deductible say they don't believe in taking themselves out of the insurance business via the deductible route, so long as the small claims can be paid without inordinately loading the rates for adjustment expenses. Under the prevailing pattern of rate regulation the rates are determined by losses plus expenses plus the agreed margin for underwriting profit. Any move resulting in a drastic curtailment in dollar outlay of losses will ultimately mean reduced rates and higher expense ratios. Equally as important, these opponents say, is the psychological effect of shutting off a large proportion of the loss draft distribution.

### I. E. A. Study Cited

Insurance Executives Assn. has undertaken a study of the whole problem with emphasis on the so-called large deductibles. Its initial memorandum will shortly become available. It poses a number of questions, the answers to which must be found before the business can safely move in any direction.

The Florida and the Texas Gulf Coast areas are held to be special situations requiring special treatment, the unusual conditions being an unusually high frequency of disturbances, and the damage separation problem that always results where windstorm and wave wash are involved.

Some proponents of the deductible clause draw a parallel with automobile collision insurance. To this comparison, the opponents say they cannot subscribe because of the wide variation in claim frequency. Practically every motor vehicle operator will incur several minor collision claims during the year—usually in the nature of scratches and dents. Therefore, full coverage collision of necessity would price itself out of the market. This is not true of windstorm insurance whether written separately or under the extended coverage endorsement. The difference between profit and loss on the class is usually a question of a slight rate differential.

As of now the job of overhauling the rate regulatory statutes is about complete. Provided the business generally can supply satisfactory loss and expense statistics these laws provide for acceptable long range operating results. Conversely, the general use of the deductibles will mean rate reductions, since the future rate levels under these regulatory bills will be made up of losses plus expenses plus allowable profit as set forth in the underwriting profit formula.

### Question of Economics

If it were uneconomic to pay windstorm losses of \$50, that is, if the business generally were obliged to load its rate level for an inordinate adjustment charge, then the story would be different. However, the opponents believe this condition does not prevail and so long as they can pay losses and pay them at a reasonable adjustment cost it is wise for the business to continue these disbursements—particularly when the companies need not concern themselves over ultimate results.

Another argument frequently advanced is the burden or nuisance of these so-called maintenance claims. The maintenance problem exists, but the opponents say it is inconsequential when weighed against the long term dangers inherent in the mandatory deductible principle. The windstorm experience recently reported under the \$100 mandatory deductible clause presently in effect in Texas is cited. Granted that one year is too brief a period accurately to weigh these results, nevertheless loss ratios of 2% to 10% on a substantial portion of this classification would certainly seem to indicate an impending rate slash of serious consequences. This rate level though is but one facet of the problem. There is the unfavorable reaction of the customers to an announcement that they can buy windstorm insurance on only one basis plus the good will loss which would seem inevitable when the companies stop paying a large portion of our wind claims.

### Gets Gold Medal Award

A gold medal and check for \$500 from the National Board was presented to Louis W. Lawrence, publisher of the Big Sandy, Mont., Mountaineer, by Wilber Wolfe, president Montana Assn. of Fire Underwriters, special agent of Home, for the papers' outstanding service in fire prevention during 1949.

### New V-Ps of Detroit Agency

Darwin S. Liggett, regional group life manager for Massachusetts Mutual, has joined the Ralph C. Wilson agency of Detroit as vice-president in charge of life and group insurance and pension consulting. Robert T. Lustig, assistant secretary in charge of fire underwriting, has been made assistant vice-president in charge of all casualty and fire underwriting.

The Portland, Ore., insurance picnic has been slated for July 26. Last year there were more than 1,500 in attendance and more are expected this year.



# "Home-town" PROTECTION



BEAMED ACROSS THE WORLD!

**NO MATTER** what the insurance needs of your clients with interests abroad may be—you can fill them quickly and easily, right here at home!

Through the 26 outstanding companies affiliated with American Foreign Insurance Association—through any one of them—you can cover personnel, property, raw materials and finished goods with practically every kind of insurance except life.

All the familiar types of insurance—Fire, with Ex-

tended Coverages, Lightning, Theft, Liability of all kinds, Workmen's Compensation—are yours to apply . . . through the international facilities that are at your service through AFIA.

Yes, you can beam "HOME-TOWN" PROTECTION straight across the world! Simply furnish the usual, domestic risk-information to AFIA. Its expert staff will swing into action and follow through. Gain your first home-town, FOREIGN premium NOW!



## AMERICAN FOREIGN INSURANCE ASSOCIATION

80 MAIDEN LANE • NEW YORK 7, NEW YORK

CHICAGO OFFICE: INSURANCE EXCHANGE BUILDING, 175 WEST JACKSON BLVD., CHICAGO 4, ILLINOIS  
SAN FRANCISCO OFFICE: MILLS BUILDING, 220 MONTGOMERY STREET, SAN FRANCISCO 4, CALIFORNIA

COMPLETE INSURANCE COVERAGE IN FOREIGN LANDS

## Mutual Merger Is Rescinded

The proposed merger of Mutual Fire of Saco, Me., with Central Manufacturers Mutual of Van Wert, O., has been rescinded. The merger was announced June 7 but three policyholders took the matter to court and contended the merger was illegal. They were Joseph G. Deering, Bernard C. Brow and J. Burton Stride. Hearings were held and finally it was decided to continue the hearing until the agreement to rescind the merger can be carried out.

In the early 1940's Central Manufacturers aided Saco financially, an obligation understood to have been pretty well paid off over the intervening years, and the two companies had been operating under a fairly close relationship. L. G. Purmort, president of Central, was president of Saco.

Directors of Saco thought the company needed additional capital, and some effort was made to develop it among interests local to Saco without much result. The decision then was made by directors to merge. At this point local policyholders became much interested and the move to rescind the

merger was launched.

Apparently there is no disposition on the part of Central Manufacturers interests to insist on the merger since their effort has been to keep Saco progressing, which it should do if local policyholders put in the money needed for Saco to go ahead and prosper.

## Phoenix Agents Elect Pray

New president of Phoenix, Ariz., Assn. of Insurance Agents is E. R. Pray. Ted Butler is vice-president, and Kenneth Clarke is secretary-treasurer. William Rudd, Douglas Raison and Robert McFarlane were named directors.

## Bohlinger Is Chairman

Alfred J. Bohlinger, acting superintendent of New York, has been appointed chairman of the commissioners committee on valuations to fill the vacancy created by the resignation of Robert E. Dineen.

Mr. Bohlinger became acting superintendent automatically under the New York law, with the resignation of Mr. Dineen. Gov. Dewey has not yet acted to name a successor to Mr. Dineen.

## Agenda of Canadian Supts.

At the annual meeting of Canadian

Insurance Superintendents Assn. Oct. 23-27 at Niagara Falls, Ont., following the presidential address by J. A. Young, Saskatchewan, reports on valuation of securities, licensing and regulation of agents and annual statement blanks will be presented by Georges La France, Quebec; life insurance legislation by E. B. MacLachy, New Brunswick.

On Oct. 24 there will be discussions on fraternal insurance and insurance law revision, the latter under the direction of Roy B. Whitehead, Ontario. He will lead discussions on automobile insurance legislation Oct. 25 and a paper on the automobile insurance assigned risk plan will be given by Herbert Hunter, Manitoba.

## Oregon Cracks Down on Illegal Commissions

Companies doing business in Oregon have been notified by Commissioner Taylor that they are being required to advise agents of the limitations of the Oregon agents' licensing law. Mr. Taylor said many companies have been paying commissions illegally to agents. The Oregon department issues separate licenses for the various classes of business and requires that an agent hold a license for each type of insurance for which he receives a commission.

The department is not going to consider past violations because of the common misunderstanding of the licensing law but will investigate and prosecute all offenders in the future.

## Atlantic Mutual Has All Risk Dwelling Form in Cal.

California home owners are being offered a new dwelling all risks endorsement for optional attachment to the standard fire policy with extended coverage by Atlantic Mutual and Centennial.

The new endorsement is attached only to policies which cover single-family, owner-occupied, detached frame dwellings. The exclusions are few, having been kept to a minimum by use of a mandatory \$100 deductible except in the case of earthquake. Claims for earthquake damage will be subject to a deductible of 1% of value of the property or \$100, whichever is the greater.

The additional rate for the new dwelling all risks endorsement in California is 30 cents per \$100, and is subject to the usual term multiples and to a minimum premium of \$25.

## N. C. Premium Tax Greater

RALEIGH, N. C.—Gross premiums tax on insurance companies for the fiscal year ended June 30 brought North Carolina \$5,307,581, compared with \$4,861,651 in the previous 12 months. Since there has been no increase in the tax on premiums, the gain is attributable to expanded volume.

## Organize at Lancaster, Wis.

Lancaster (Wis.) Assn. of Insurance Agents has been organized with Andrew W. Jerrett as president; Keith Smith, vice-president, and W. L. Schwartz, secretary. Urban Krier, Milwaukee, executive secretary of the state association, assisted in the preliminary organization work and announced this as the 43d local agent group in Wisconsin.

## Diplomas to Morris Co. Men

Morris County (N. J.) Assn. of Insurance Agents will have a dinner July 20 at Morristown, at which Russell J. Stevens, chairman of the New Jersey association educational committee, will present diplomas to those who have completed a course conducted by the association.

## Slate Ohio Rally for Oct. 30-31

Ohio Assn. of Insurance Agents will hold its annual convention Oct. 30-31 at the Deshler-Wallick Hotel in Columbus.

## Equity General Licensed in Fla.

Equity General Insurance Co., Miami has just been licensed in Florida to write direct agency business and re-insurance, fire and allied lines. It has paid in surplus of \$250,000 and paid in capital of like amount.

It is owned 50% by American Title & Insurance Co. and 50% by four Swiss companies: Baloise Fire, Baloise Marine, Union Reinsurance and Swiss National. Officers of Equity General are substantially the same as those of American Title & Insurance. Joseph Weintraub, attorney, is president of Equity; J. R. Schwartz and DeBlois Milledge are vice-presidents; R. G. Eaton is vice-president and secretary, and J. O. Hall is treasurer. Management of Equity is by Mr. Weintraub and associates. Mr. Eaton is in charge of underwriting, as he is for American Title.

## Schnier Is Elevated by London Assurance

London Assurance and Manhattan F. & M. have named Chris F. Schnier to the newly created post of chief examiner of both companies. He will serve as top assistant to A. H. Steffens, fire manager.

## Arizona Plans Made

The annual convention of Arizona Assn. of Insurance Agents will be held at Westward Ho Hotel at Phoenix, Nov. 19-21. The executive committee will hold forth on the 19th and the general meeting will commence the next morning. Jim Murphy of Phoenix has been appointed general convention chairman.

## New Oklahoma Headquarters

Oklahoma Assn. of Insurance Agents has moved to new offices at 305 City National building, Oklahoma City.

Rockford, Ill., Assn. of Insurance Women at the annual meeting elected Ethel Wetterstrom, Knapp Associates, president; Minnie Welden, William Christenson agency, vice-president; Yvonne Wilson, Wilson & Wilson agency, secretary, and Doreen Milani, Underwriters Adjusting, treasurer.

## Adjusters Head

Robert M. Hill of Detroit, the new president of National Assn. of Independent Insurance Adjusters, was in Chicago in 1898 and during World War I, he served with the 33rd Division, 122nd Field Artillery. After he returned to Chicago, he went to work for Rollins, Burdick, Hunter Co., where he stayed until 1921.

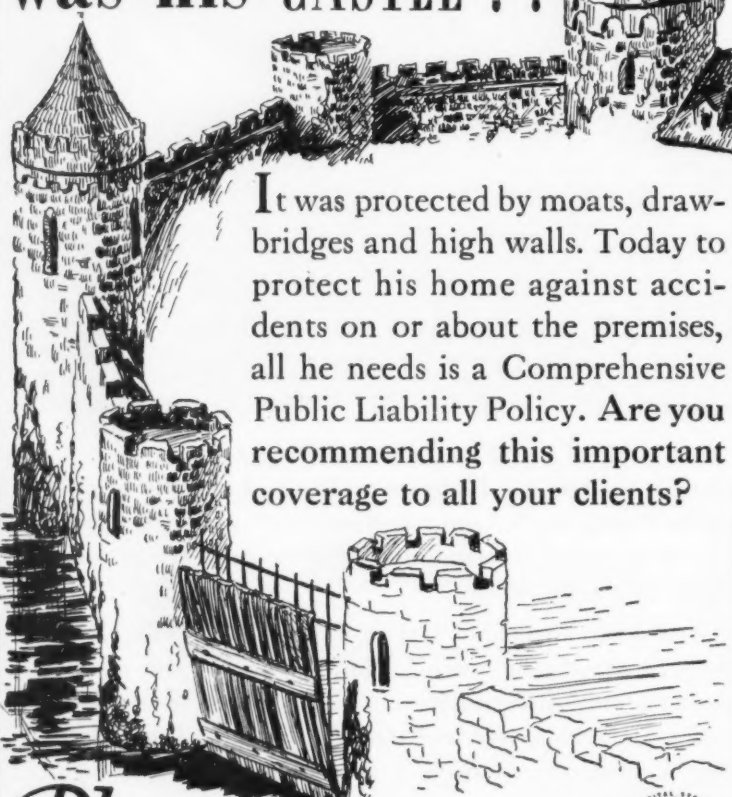
From 1921 until 1924 he was staff adjuster with Underwriters Adjusting at Detroit and from 1924 until 1926 he was manager of the Grand Rapids branch. From 1926 until 1928, he was in charge of fire losses for the A. H. Dinning Co., independent adjusters of Detroit, and in 1928, he went into the independent business on his own. He has therefore, been in the independent adjusting business at Detroit, since 1928 and at the present time he has offices at 1356 Penobscot building, where he has a staff of 28, which include 11 adjusters. He specializes in the adjustment of losses on fire and allied lines, inland marine and automobile.

Mr. Hill's youngest daughter was married June 30 to C. Russell Henderson of West Palm Beach.



Robert M. Hill

# WHEN A MAN'S HOME was his CASTLE...



It was protected by moats, draw-bridges and high walls. Today to protect his home against accidents on or about the premises, all he needs is a Comprehensive Public Liability Policy. Are you recommending this important coverage to all your clients?

## Phoenix-London GROUP

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PHOENIX ASSURANCE CO., Ltd.  
IMPERIAL ASSURANCE COMPANY  
COLUMBIA INSURANCE COMPANY  
UNITED FIREMEN'S INSURANCE CO.  
THE UNION MARINE & GENERAL INSURANCE CO., Ltd.  
LONDON GUARANTEE & ACCIDENT CO., Ltd.  
PHOENIX INDEMNITY COMPANY



## REAL PROBLEMS IN

## Protecting and Insuring Colleges and Universities

The fire problem of colleges and universities is a serious one, and insurers can help by bringing their knowledge of protection to bear via inspections and in other ways, Raymond W. Seidel, supervisor of the safety division of Cornell University, said in a talk before National Fire Protection Assn.

Mr. Seidel presented the results of a questionnaire survey conducted among the 121 members of the Assn. of Physical Plant Administrators of Universities & Colleges. Of the 80 replying, 78% carry insurance, but only 5% get quarterly inspections, and another 25% have them seldom, irregularly or infrequently.

## Hospital Situation Dangerous

Among the universities replying, 19% themselves conduct weekly checks for fire hazards and 25% make monthly checks; 23% inspect only annually and 5% seldom have any inspection. Half the academic buildings are not equipped with local alarm systems and 10% are completely equipped. Mr. Seidel regards as dangerous the fact that 21% of campus hospitals have 100% alarm coverage, but 73% have none at all. The Cornell infirmary, he said, is equipped with automatic sprinklers.

Another serious situation revealed by the survey is that 22% of the institutions have no alarm systems in housing units, and only 24% are completely equipped. Only 1% of those answering the inquiry have from 51 to 75% of its buildings sprinklered and 67% have none at all.

Mr. Seidel called attention to a report issued a year or so ago which gave examples of lawsuits that went against universities. The report proved that the day is past when universities can continue to hide behind the cloak of sovereign immunity as charitable institutions.

## Comprehensive for Cornell

Cornell, he said, now has a comprehensive liability policy covering every property it owns, which means it will be protected in event of death or injury as a result of fire as well as accident. The insurance company inspector was not pleased with his findings at Cornell, Mr. Seidel said, and presented eight pages of recommendations.

He regards this "black list" from an outside source as the "shot in the arm that our safety to life program has needed—just like what the fire insurance company has done to get the university to protect its property. The university administration has been doubly reminded of the things that are needed."

He deplored the resistance to expenditures for safety which seems to be characteristic at colleges and universities. Cornell has been campaigning for \$12 million for a greater Cornell and other universities have plans to go forward too. Wealthy alumni will endow new buildings to be named for them but unfortunately no one has come forward to give \$1 million to protect the traditionally revered old buildings nor the lives of the occupants.

## Need More Emphasis on Life

He thinks it unfortunate that the emphasis has been on protection of property to the exclusion of stress on protection of human lives. Lack of awareness to life hazards by college and university officials has been fostered by insurers, by experience and by student apathy, he said. The company which insures Cornell University buildings sends an inspector to the campus every four months to inspect the endowed properties—the state colleges and schools do not carry insurance. Each inspector stays two weeks and gives the properties a real going over. However, every

move the inspector makes is toward property protection.

It is true, he added, that by striving to meet the requirements of the insur-

ance company and by keeping sprinklers, stand pipes and extinguishers regularly inspected, the university is lessening the danger to the daytime occupants of the buildings. There is automatic detection, hourly watch service, and student alertness in temporary dormitories. A great deal is being done to minimize the possibility of fire in the veterans housing flimsy units, yet those in the temporary dormitories are a constant source of concern.

Cornell, like many other universities

is a city within a city, with a daytime population of approximately 15,000. It has the careless smoker, youthful prankster and absent minded professor. It has almost every type of fire hazard. It has valuable manuscripts, rare books, and records scattered all over the campus. Many professors have their entire life's work on wooden shelves in their offices. The personal or irreplaceable value of some equipment would make any loss far greater than can be covered by insurance. However, because the vast ma-

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for sprinklered buildings

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These and other ADT Automatic Protection Services are available in all principal cities to provide business establishments, large and small, with better protection at lower cost.

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majority of the 15,000 are well educated persons makes a prevention program that much easier.

## Herbert Huch Joins Trinity Universal as V.P.

Herbert F. Huch, manager of Fidelity & Deposit with the Conkling, Price & Webb agency of Chicago has joined Trinity Universal as vice-president in charge of bonding at the home office.

Mr. Huch has been with F. & D. since 1948 and then before that for a year was Chicago bond department manager of Manufacturers Casualty. During the war he was in Europe with the counter-intelligence corps, and before that for eight years was assistant bond manager of Standard Accident at Chicago.



Herbert F. Huch

## Gallagher Cites Minus Factors in Self-Insurance

Vincent L. Gallagher, assistant U. S. manager of Pearl, has authorized for publication his views on the question of fire insurance deductibles, which are currently of capital importance. These observations are contained in a letter that he wrote one of the Pearl branch managers, who had inquired as to his company's attitude on this matter.

"I personally question whether 'good of the business' arguments will of themselves be effective in stopping the development. We deplore its use generally because we are in the business of selling policies and dislike to see an easier path provided for the man who wants to take his own risk. What we think or do here, however, probably won't be too important a factor in determining the ultimate procedure.

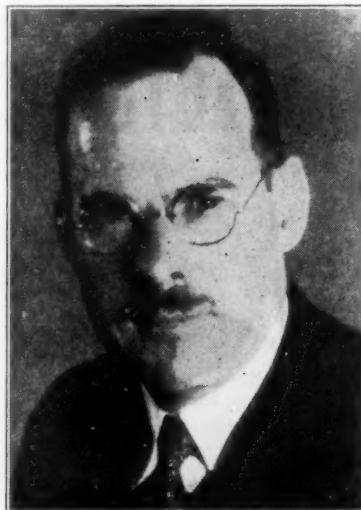
"I wonder if it will be so popular with the public as some seem to feel. First, it should not appeal to the small insured. Second, let us analyze it thus.

"If Corporation A decides to buy its insurance with a deductible of say

\$10,000 it must pay its own losses of that amount or less. If it insures these losses it pays the premium to the insurance company which in turn reimburses it for losses. If rate levels are correct the loss cost, therefore, should be the same whether the corporation insures or not.

### How Saving Is Made

"By carrying its own risk up to \$10,000 the corporation saves the expenses which the insurance company must incur to write the business, adjust and pay the losses plus the company's profit, if any. On the large risks



VINCENT L. GALLAGHER

to which the plan should appeal, if to any, this cost plus profit may run from 40% to 45%, let us say 42½%.

"If the corporation is operating profitably it may be in the 38% income tax bracket (41% if the present proposals in Congress are adopted). When the corporation carries its own risk it deducts the uninsured losses from profit for tax return. When it buys insurance it deducts the premium it pays as an expense of operation. Therefore, it saves 62% (100% less 38%) of 42½% of its premium or 26.35% of the difference in cost between full and deductible insurance less its own cost, if any, of operating the plan.

### Risk Must Be Assumed

"As a penalty for making this saving the corporation must assume the risk of a series of losses under \$10,000 which could easily and rapidly eat up the saving. I wonder if it will appeal so strongly?

"Many insurance managers have in times past indulged in the practice of self-kidding in their figures of the cost of self-insurance funds as compared to paying premiums. Time and time again the self-insured corporation will be found to be charging to replacement and operating expenses occurrences which would be paid for by insurance if it had been bought. Deductibles will encourage this practice of fooling the top management."

### Hold Firemen's School

Salt Lake City fire department held its annual firemen's training school. Included among the speakers were Jay Stevens, assistant manager of the National Board, San Francisco; Loren Bush, chief engineer of the Pacific Board, San Francisco; Arthur S. Nichols, Nichols Adjustment Bureau, Salt Lake City, and H. G. Ufer, western superintendent Underwriters Laboratories.

### Form Ventura County Assn.

Ventura County (Cal.) Assn. of Insurance Agents has been formed with Wayne Harvey, Santa Paula, as assistant. Vice-president is Gordon Lindsay, Ventura, and secretary, Charles Wright, Santa Paula. W. H. Menn,

past president of the N.A.I.A., was the installing officer.

Dorothy Fahy and Gilbert Fahy have purchased M. J. Flynn agency at Dayton, O.

Year in and year out  
you'll do well with the  
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- to deal fairly
- to act courteously
- to show a sincere desire to please—
- at all times and under all circumstances.

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THE INEXPENSIVE  
WAY

Increased prices require correction of insurance coverage. Prudent management does this with our service, uses American Continuous Appraisal Service to keep coverage in line with values.

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APPRAISAL

Company

Over Fifty Years of Service  
OFFICES IN PRINCIPAL CITIES



## HIGHLIGHTS in Insurance History

### FIRST FIREPROOFING ...

On March 17, 1735, Obadiah Wyld obtained an English patent for "making or preparing paper, linen and canvas and such like substances which will neither flame nor retain fire, by mixing alum, borax, vitriol or copper as dissolved" and dipping the fabrics into "a strong infusion of the said materials in water or thin size made hot."

The National Union and Birmingham Fire Insurance Companies, as members of the National Board of Fire Underwriters, are ever mindful of the efforts being made to devise more modern methods of fireproofing.

**NATIONAL UNION  
and BIRMINGHAM**

FIRE INSURANCE COMPANIES

PITTSBURGH PENNSYLVANIA



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## UNIQUE INSTITUTION

# Aetna Casualty School Is Outstanding Success

One of the many interesting things about the casualty and surety sales course for agents that Aetna Casualty & Surety conducts at its home office in Hartford is its amazing vitality. A pioneer in the field of educating agents in the casualty and surety lines, Aetna has graduated over 3,800 men in the 116 sessions of the course. Its constant objective has been to train agents to sell more insurance and to sell it right.

That the course has been successful is attested by its reputation throughout the insurance business — companies,

—designed for men who want to make money. In five weeks the student is given a tremendous amount of information — useful information — that will enable him to become a successful producer in the general insurance field.

This means intensive work adequately to cover policies, rating methods, underwriting practices and selling techniques for the great variety of policy forms. The method used by the school to accomplish this is unique. All the various lines of insurance are introduced as quickly as possible. This makes the agent more versatile in handling the many lines of insurance that he will be called upon to discuss with prospects and customers during a single day's operation of his business.

The course is aimed at teaching more expert handling of information. It pro-

vides plenty of knowledge but the emphasis is on the sales presentation of the coverage. To accomplish this there are many sales demonstrations. The student presents to live prospects, in front of a highly critical audience composed of his fellow students, information and sales arguments as he expects to do when he returns to his agency. More than 600 such sales demonstrations are conducted throughout the five weeks. There is a great deal of difference between knowing the business and being able to talk persuasively about it.

(CONTINUED ON PAGE 18)



AMOS E. REDDING

agents and brokers, and state insurance departments. Outside of insurance, recognition also is given the course. Veterans administration has approved the course as an educational institution under the G. I. bill of rights. Furthermore, the New York insurance department will admit to the brokers' license examination any graduate who is certified by the company.

From the company's production standpoint the results are highly gratifying. Today a substantial part of Aetna Casualty's volume comes from graduates of the school. As a business venture, the company's investment in the school has paid off to a highly satisfactory degree.

### Know Practical Answers

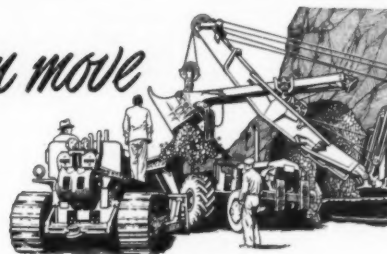
Credit for the achievements of the school must go to company management that had the foresight to initiate it and the courage and confidence to spend the money that has been required to maintain and improve the school, and to Amos E. Redding, assistant secretary, who has energized and directed it for so many years. Associated with him is a capable staff consisting of William W. Ellis, field supervisor; Howard M. Bromage, instructor, and William B. Braman, Jr., instructor. These men with Mr. Redding all have had experience in the field and know the practical answers to problems the agent meets in the process of getting business on the books.

The school does not entertain the students. Frankly, it "gives them the business" and they like it. The student need not be a "brain" but he must want to work or he cannot succeed in the course, any more than he can as an agent. Classes are conducted from 8:15 a.m. to 5:30 p.m., and only by spending three or four hours in the evening hard at work can the student keep up with the studies. The quizzes, and particularly the final examination, are indicative of the quantity and quality of the work that is required.

The Aetna casualty course is practical



*We, too, can move*



*a mountain*

Good public relations is the art of behaving well and getting credit for it. No doubt about it, our business of fire and casualty insurance has learned and practiced the art of behaving well. But getting credit for it is a different matter for we have been the most tongue-tied business in the world. But if every one of us, every one of the tens of thousands of local agents and company employees, told our story to our friends, our neighbors, even our own families, we could move a mountain—the mountain of public opinion. What is our story? Our story consists of many stories. The public should know about

our fire prevention and safety work, our "catastrophe plan" of bringing quick financial relief to stricken areas, our testing laboratory, our new and improved coverages, our declining rates in the face of generally rising costs, our development of markets for unusual and large risks, our highly qualified agents and their small selling commission, our competent management which results in modest overhead, low distribution cost and sound financial structure.

You, the agent, are the most important factor in telling these stories and in moving the mountain of public opinion to the place where it belongs.

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INDEMNITY COMPANY  
Glens Falls, New York

"Old and Tried" Organized 1849  
**Glens Falls**  
INSURANCE COMPANY  
Glens Falls, N. Y.

**COMMERCE**  
Insurance Company  
GLENS FALLS, NEW YORK

## Rhode Island Goes Into Receivership

(CONTINUED FROM PAGE 1)

sees fit, to maintain or secure reinsurance as he may deem necessary. He is authorized to take such action both within Rhode Island and, insofar as the laws of other states permit, outside of Rhode Island as may be necessary or desirable to provide for reorganization and rehabilitation of the company. The order also enjoins institution of separate suits.

The resolution of the board stated that the California commissioner in obtaining an order of conservation for Rhode Island Ins. Co. on May 17, 1949, without notice to the company or an

opportunity to be heard by the court resulted in destruction of the company's business in California and damaged its reputation so as to cause cancellation of many policies and to interfere with the ability to continue to write insurance.

The resolution goes on to say that commissioners of other states refused to renew the licenses in 1950. The company, according to the memorial, is solvent but the assets and surplus have been materially reduced. The company has undertaken to reduce its expenses but has found that the injury to its

reputation as a result of the actions of the insurance commissioners has prevented it from writing enough business to make its operation profitable. The resolution directed that the Rhode Island commissioner be requested to take such action as he may deem proper to institute such proceedings as may be available under the laws to conserve the assets of the company and to rehabilitate it so as to permit it to continue in business and in the event that no such procedure is available that other available steps be taken "as will result in the rehabilitation of the company."

### Position of Bisson

The resolution was submitted to Commissioner Bisson of Rhode Island and he was advised by Attorney General Powers that under the Rhode Island laws, no official action could be taken since the company was not insolvent and the directors and officials were not guilty of mismanagement. However, Mr. Bisson, the announcement stated, expressed himself as being seriously concerned with the deterioration which would ensue if the facts as presented to him in the resolution are correct. Hence, the decision was for Mr. Hartnett acting under the advice of his own counsel, to go ahead with the bill of complaint on his own behalf.

Counsel for the company interposed no objection to the entry of the decree. According to a statement by Vice-president H. B. Lamy, Jr., the primary purpose of the decree is to enable the director of business regulation to take such steps as may be feasible to rehabilitate the company, "and to that end" it authorizes the continued issuance of policies wherever prudent."

### Cites Separation Move

The Hartnett bill stated that on Dec. 31, 1947, the Rhode Island had assets of \$14,067,524 and policyholders surplus of \$3,395,016. He said that subsequently the company was in the process of being separated from Pioneer Equitable of Indiana, William Penn Fire and National of Denver and that balances due the Rhode Island from those companies had to be compromised. The settlements brought Rhode Island \$1,665,992 in cash and government bonds and a balance of \$3,631,500 in the form of notes payable over an extended period of years in unlisted and not readily marketable securities from the investment portfolios of National of Denver and Pioneer Equitable. These difficulties caused great concern to the insurance commissioners and great expense in audits and hearings. An examination of Rhode Island by all the states in which the company was licensed developed that by Dec. 31, 1948 assets had declined to \$10,480,700 and policyholders surplus to \$1,931,799.

### California Proceedings

The bill goes on to say that the California commissioner was appointed conservator in his state in proceedings which alleged that the capital of Rhode Island had been reduced to \$265,065 and that the company was technically insolvent in that state. The Hartnett bill states that as a result of this action, the company's good will was impaired, its right to do business in other states was questioned and its premium volume substantially reduced.

The license of Rhode Island has been revoked in Oregon, refused renewal by South Carolina, Georgia, Virginia, District of Columbia, New Jersey, and Indiana, and it is faced with hearings on its license in Georgia, Washington and Illinois. The bill expresses the belief that the company has more than sufficient assets to meet all of its obligations but if the present rate of depletion of the assets is allowed to continue, excessive cancellations, withholding of agents'

balances and requests for excessive deposits in other states will require liquidation of assets with such sacrifices as to make the company either insolvent or so close thereto that stockholder interests will be needlessly sacrificed and the policyholder interests will be unnecessarily imperiled. Also, it is said that certain reinsurance contracts are subject to cancellation under certain conditions which the reinsurers claim to exist and that such cancellation would further weaken the condition of the company.

The bill goes on to say that if assurance is given that the assets are being preserved for the benefit of stockholders, creditors and policyholders under the direction of the court and if, pending the stabilization of the situation, the right to bring suits is temporarily suspended, the solvency of the Rhode Island may be demonstrated and resumption of business in normal course may be accomplished.

L. M. Birrell, chairman of Doeskin Corp., New York, has indicated he would ask the commissioners valuation committee for a hearing on its valuation of Doeskin debentures at zero.

### CAL. PROCEEDINGS

SAN FRANCISCO—The hearing on application of Commissioner Downey of California for an order to liquidate the California business of Rhode Island Ins. Co., which was scheduled to be heard here July 6, has been postponed to July 17. Also the hearing has been transferred from Superior Judge Cronin to that of Judge Murphy. The postponement was granted at the request of the insurance company's counsel.

### REINSURER SUES

Baloise Fire of Switzerland through Attorney James J. Davis, Jr., has brought an action in the federal court at Philadelphia to recover \$100,000 alleged to be due from Rhode Island under reinsurance contracts that were effected in 1948 and were cancelled by Baloise effective Jan. 1, 1950. These contracts included 10% of Rhode Island's so-called "domestic first surplus treaty"; under which there is alleged to be due \$69,584; the reinsurance of 100% of the net line retained by Rhode Island on hulls under which \$4,696 is alleged

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to be due; reinsurance of 40% of Rhode Island's retention on Guatemala risks under which there is alleged to be due \$7,475; reinsurance of 13 1/2% of the net retained liability of Rhode Island under business written through American Plan Corp. of Pennsylvania and American Plan Corp. of New York, under which there is alleged to be due \$5,364.

It is alleged that under the contracts it is provided that at the close of each three month period, Rhode Island shall furnish a statement of unearned reinsurance premium reserve, shall render quarterly accounts and shall remit to Baloise within 60 days after the close of each quarter such amount as may be due under the terms of each contract. It is alleged that Rhode Island has failed to render accounts as required in connection with the largest amount and it is alleged that Baloise has demanded payment and Rhode Island has refused to pay "because of certain untrue and false representations" by Rhode Island "that certain reserves had been set up for the payment of said sum . . . when in truth and in fact no such reserves were, are now, or are intended to be set up in the future, but that such representations were made solely for the purpose of delaying payment of the sum due and owing to Baloise."

### More Insurance Courses at Michigan State College

LANSING, MICH.—Completion of another beginners' insurance institute, attended by 119 prospective license applicants, concluded an active season of special insurance instruction at Michigan State College. The previous week was featured by an owners' and managers' course in agency management problems which had a registration of about 40. Michigan Assn. of Insurance Agents has been a prime mover in the educational program, directed by Carl L. Strong, coordinator of insurance training in the college's continuing education department.

The management course included instruction in agency organization, financing, taxes, expenses, selection and supervision of employees, advertising, fire rating, claim adjusting, survey or analysis and planned selling. The beginners' course was confined largely to fundamentals of insurance, preparing students for a departmental licensing test given at the close of the course.

### Seattle Golf Winners

Floyd Mauseth of Carroll, Hedlund & Associates won the Seattle Blanket Club's annual golf tournament with a net 64. Other prize winners were Stan Dec, D. K. MacDonald & Co.; Henry Buck, Indemnity of North America, and Thomas Telfer, D. K. MacDonald & Co.

### Redford Is President

George Redford of Connecticut Mutual has been elected president of Assn. of Insurance Company Buyers. Six meetings will be held this year in principal cities throughout New England, the first being scheduled for Boston in October. Scott Phillips, Monarch Life, is vice-president; George Champlin, Factory Insurance Assn., treasurer; and Felix A. Tangerone, Phoenix Mutual, secretary.

### Lee, Jacobs Named

WASHINGTON—L. F. Lee, president of Peninsular Life, as vice-president of U. S. Chamber of Commerce, and Carl N. Jacobs, president Hardware Mutual Casualty, and a director of the chamber, have been named as members of its executive committee.

James S. Kemper, Lumbermen's Mutual Casualty, Chicago, made a report to a meeting of the chamber's board of directors here recently on the fifth plenary meeting of the Inter-American Council of Commerce and Production, held at Santos, Brazil.

The board received a report from the chamber's social security committee,

through Mr. Jacobs, which said that "in most particulars", the social security bill as passed by the Senate, "is in line with national chamber policies."

### Okla. Runoff Election Is to Be Held July 25

The runoff election to determine the Democratic candidate for Oklahoma insurance commissioner will be held July 25. Neither Donald F. Dickey, the present commissioner, nor his closest rival, Bill D. Read, obtained a majority of the votes that were cast for the of-

fice. Dickey had the lead by a good margin, but there were four other candidates besides the two principal contenders and they attracted enough votes to prevent any one candidate from coming up with a majority.

### Bartlett N. E. Mutual Chief

Mutual Fire Insurance Assn. of New England elected Harold K. Bartlett, president Traders & Mechanics of Lowell, president at its annual meeting in Boston.

Other officers are Edward C. Nichols, vice-president Merrimack, first vice-

president; Clifford A. Peterson, president Merchants & Farmers, second vice-president, and Edward D. Sirois, secretary.

### C. S. Elder Retires

Charles S. Elder, who represented Federal on the board of Tugboat Underwriting Syndicate, has retired. He was honored at a luncheon tendered by the heads of ocean marine organizations.

Implement Dealers Mutual of Grand Forks, N. D., has withdrawn from Ohio.

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# Agents who want TO KEEP THEIR CLIENTS SATISFIED



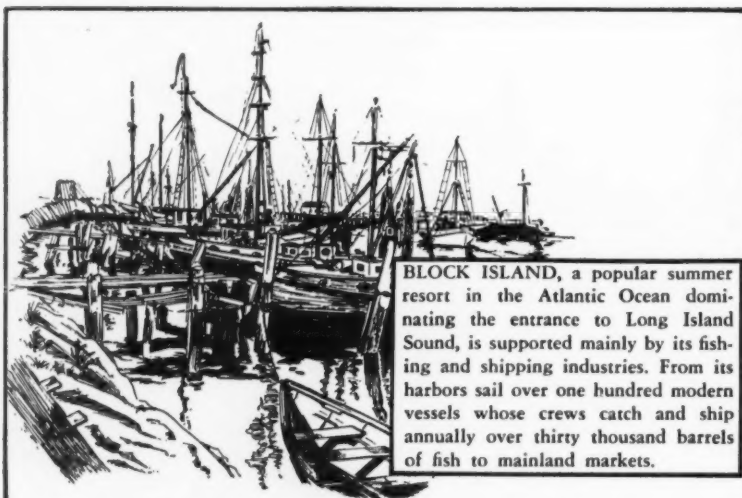
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BLOCK ISLAND, a popular summer resort in the Atlantic Ocean dominating the entrance to Long Island Sound, is supported mainly by its fishing and shipping industries. From its harbors sail over one hundred modern vessels whose crews catch and ship annually over thirty thousand barrels of fish to mainland markets.

When the Old Harbor at Block Island was completed in 1878 . . . a boon to mainland communication and island industry alike . . . the Pawtucket Mutual Fire Insurance Company had been serving its policyowners for thirty years. It had already gained a reputation for sound underwriting principles which, to this day, foster dividend payments and prompt loss settlements.



INCORPORATED 1848

### PAWTUCKET MUTUAL

FIRE INSURANCE COMPANY

26 MAPLE STREET, PAWTUCKET, RHODE ISLAND

## Seek to Telescope Escott Hearings

(CONTINUED FROM PAGE 1)

would furnish separate records for each state. Proponents of the Escott plan, according to Mr. Harris, have agreed to waive any technical legal questions that could be raised because of variations in the laws of the states.

### Purpose Is Stated

The purpose of the "simultaneous" hearings is to avoid the waste of time and money which he contended developed at the Escott hearings in New York. He said that opponents of the Escott plan would be filing the same material in every state.

Insurance Director Stone of Nebraska joined enthusiastically in the plan. He has appointed Robert H. Rydman, assistant director, as hearing officer for Nebraska.

He also emphasized that this would not be a joint hearing. He said Mr. Rydman would hear such evidence as was presented and make his own rulings as to the admissibility of evidence without regard to what action other states take. He said Mr. Rydman would arrive at his decision independently of the other states and take such action as he sees fit.

Mr. Stone declared he is aware that certain of the participants do not favor a joint hearing. He expressed the belief that the St. Paul procedure would not be objectionable on that ground as it was not going to be a "joint hearing."

"If the two sides sincerely are not attempting to block each other's efforts and cause delay for delay's sake alone," he said he was confident they would "go along with the idea." In that sense, he asserted, the hearings at St. Paul would test the good faith of the parties.

Mr. Stone declared that the uniform rating law contemplates an exchange of information among the departments as well as among rating organizations. By multiple hearing technique, the true spirit of the law will be followed, he declared, and at the same time the independent action of the various states would be maintained.

Mr. Harris sent invitations to 20 commissioners to the July 25 hearing. He made his decision after returning from the Quebec convention. He is hopeful most of the states will accept. It is understood at the hearing stipulations will be made to protect the legal rights of America Fore should it decide to take the case into court.

A hearing is being conducted July 13 by the Tennessee department on the Escott plan and an Ohio hearing has been set for Sept. 26.

The effort to bring about a compromise of the multiple location risk rating matter that seemed to hold out much promise at the time of the Quebec meeting now appears to have bogged down. The two sides appear to be as far apart as ever. Some observers believe that the solution may be tied up with a plan for a national fire rating program.

### NEW HEARING IN N. C.

RALEIGH — The Escott plan for determining fire rates on multiple location risks came under fire in an all-day hearing here before Commissioner Cheek.

The attack came from representatives of America Fore, which has been opposing the plan as filed in other states. Henry C. Barkstedt, assistant secretary, in 3½ hours in the witness chair emphasized allegedly discriminatory features of the proposed plan.

The group had appealed from a filing of North Carolina Fire Insurance Rating Bureau, which laid the plan before Commissioner Cheek last November and argued its merits at a public hearing last Jan. 4. Landon Hill, bureau manager, read a statement into the record explaining the bureau's stand and defending the plain against charges of discrimination. The plan also was defended by

During the hearing Mr. Barkstedt insisted that his group "has no objection to a plan that is legal and practical, but we feel this plan is neither." He recommended that the industry give further study to multiple locations, "with the idea of coming up with a plan that is legal and practical."

Mr. McCarl inquired: "Are you and your companies unalterably opposed to a system of credits and surcharges?" Mr. Carey objected, and the commissioner ruled the witness would not have to answer.

Mr. Carey asserted that "this thing boils down to the debits and credits, which we think is illegal. We object to special treatment."

### Claim Plan Favors Chains

It would be possible, Mr. Barkstedt testified, for chains with good loss records to achieve reductions of as much as 53% in their rates. These reductions would not be available to individual risks, he pointed out.

Mr. McCarl inquired if the plan also would subject chains to a possible surcharge of as much as 200%. "That is

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T. D. McCarl of New York, manager Multiple Location Service Office, and Thomas Watters, Jr., New York, attorney for the office.

George R. Carey, general counsel for America Fore, and Robert M. Loeffler, New York attorney retained by the group in its fight against the proposal, conducted the appearance before Mr. Cheek. They brought out Barkstedt's testimony with questions aimed at showing the Escott plan would cause higher rates for individual risks while giving preferential treatment to the chains.

At the conclusion, Mr. Cheek announced he would hold his decision in abeyance to determine whether the rating bureau wishes to file additional evidence or if others wish to be heard. The bureau's chief counsel, W. T. Joyner of Raleigh, was busy in court elsewhere and could not attend the hearing. "What the filing provides," Mr. Barkstedt replied.

However, he and the attorneys contended the credit-debit system actually would work one way. Chains carrying policies written under the plan would take advantage of the credits, they said, but they could avoid the debits by taking another form of fire insurance.

They also said the plan discriminated by regarding ownership as one of the factors in determining rates. They presented 23 exhibits, mostly letters, statements and drawings, to support their contentions.

Mr. Cheek told the approximately 20 insurance and bureau representatives present that the insurance business "faces a real problem" in finding a way to sell to a nationwide buyer. He inquired "what would be the effect of requiring that each location produce a certain amount of premium."

"I don't think it would add anything to the plan," Mr. Barkstedt replied.

## Convention Dates

Aug. 7-11, Grand Nest of Blue Goose, French Lick Springs, Ind.

Aug. 14-16, International Federation of Commercial Travelers Insurance Organizations, Lake Louise, Alberta, Can.

Aug. 24-25, Minnesota Agents, annual, Hotel Nicollet, Minneapolis.

Sept. 6-8, C.P.C.U., annual, Cleveland.

Sept. 8-9, Maine agents, annual, Range-Sheraton hotel, Rangeley.

Sept. 10-12, Montana Agents, annual, Billings.

Sept. 10-12, Pennsylvania Agents, annual, Bedford Springs Hotel, Bedford.

Sept. 14-16, Washington Agents, annual, Spokane.

Sept. 11-12, South Dakota Agents, annual, Cataract Hotel, Sioux Falls.

Sept. 14-16, Federation of Insurance Counsel, annual meeting, Atlantic City.

Sept. 18-20, International Claim Assn., Greenbrier hotel, White Sulphur Springs.

Sept. 18-20, American Bar Assn., insurance section, Willard hotel, Washington, D. C.

Sept. 15-17, Insurance Advertising Conference, Lighthouse Inn, Cape Cod, Mass.

Sept. 18-21, Western Underwriters Assn., mid-year meeting, Greenbrier hotel, White Sulphur Springs, W. Va.

Sept. 20-22, Oregon Agents, annual, Portland.

Sept. 21-22, All-industry committee deliberations on uniform agent-broker licensing bills, unlicensed insurer bills and interstate compact proposal, New York.

Sept. 22-23, Utah agents, annual, Hotel Utah, Salt Lake City.

Sept. 24-27, International Assn. of Casualty & Surety Underwriters and National Assn. of Casualty & Surety Agents, joint meeting, Greenbrier, White Sulphur Springs, W. Va.

Sept. 25-26, Michigan Agents, annual, Pantlind hotel, Grand Rapids.

Sept. 25-26, New Jersey agents, annual, Hotel Claridge, Atlantic City.

Sept. 25-27, Bureau of A. & H. Underwriters, annual, Sky Top Manor, Pocomo, Stroudsburg, Pa.

Sept. 25-27, Idaho Agents, annual, Sun Valley.

Sept. 25-26, New Jersey agents, annual, Hotel Claridge, Atlantic City.

Oct. 2-5, National Assn. of Insurance Agents, annual, Stevens Hotel, Chicago.

Oct. 4-10, Hemispheric Insurance Conference, Santiago, Chile.

Oct. 12-13, South Carolina agents, annual, Columbia Hotel, Columbia.

Oct. 16-18, National Assn. of Mutual Insurance Agents, annual, Hotel Statler, N. Y.

Oct. 12-13, South Carolina agents, annual, Columbia Hotel, Columbia.

Oct. 16-20, National Safety Congress and Exposition, Chicago, various hotels.

Oct. 16, Rhode Island Assn. of Insurance Agents, annual Sheraton-Biltmore Hotel, Oct. 16.

Oct. 23-25, California Agents, annual, Fairmont and Mark Hopkins hotels, San Francisco.

Oct. 24-25, Massachusetts Agents, annual, Springfield.

Oct. 24-26, Wisconsin Agents, annual, Hotel Schroeder, Milwaukee.

Oct. 25-27, Kansas Agents, annual, Wichita.

Oct. 26-27, Tennessee agents, annual, Hotel Peabody, Memphis.

Oct. 30-31, Ohio Agents, annual, Deshler-Wallick Hotel, Columbus.

Oct. 30-Nov. 3, "Mutual Insurance Convention," joint annual meetings of six mutual insurance associations, Statler Hotel, Boston.

Nov. 13-14, Illinois agents, annual, Le-lan hotel, Springfield.

Nov. 19-21, Arizona Assn. of Insurance Agents, annual, Westward Ho hotel, Phoenix.

Nov. 13-15, Indiana Assn. of Insurance Agents, annual, Claypool hotel, Indianapolis.

The La Salle Insurance Agency in Chicago has been appointed general agent for Hartford Fire and Continental Assurance. The agency places

its casualty coverage with La Salle Casualty.

## War Risk Developments

The current rate of American Cargo War Risk Reinsurance Exchange for cargo cover between the U. S. and Korea is 1% but this may be changed at any moment. Since June 28 such rates have been quoted on application only. Forward binders are limited to seven days on shipments to/from Korea.

Since the Korean trouble occurred there have been no rate increases except on shipments to/from Korea. The schedule rates except to/from China, are nominal, the average, except for China, being 5 cents, 10 cents or 15 cents on each \$100 of insurance.

There has been a demand for a fixed rate for longer periods than seven days and members of the exchange have broadened their forward binding arrangements and are making available on request, a fixed rating basis for 30 days on shipments between U. S., Canada, Mexico, West Indies, Central America and practically all countries other than Korea. This rating basis is subject, except for shipments to/from

the China mainland where the schedule rates are somewhat higher, to an additional over-the-schedule rate and is available only on specifically identifiable shipments which are scheduled or expected to move during the 30-day period.

## Walter Perry to P. W. to Handle Investments

Providence Washington has elected Walter Perry, Jr., as assistant secretary. He will handle investments. Mr. Perry is a graduate of Yale and was with Guaranty Trust Co., of New York and since 1946 has been with American, resigning as assistant secretary. During the war he served as a captain in the marine corps.

## Barnes Is Chairman

P. W. Barnes, Fire Association has been elected chairman of the committee on electricity of New York Board.

Eugene C. Richard, American, becomes vice-chairman.

Insurance Company of Texas, Dallas, has been licensed to write vehicle, liability and compensation insurance in Louisiana.



## TV dealer trapped?

Trapped because of a service contract into paying from his own pocket... or would a Product Liability Policy solve this problem:

"As the owner of a radio and television store I sell and install a television receiving set, at the same time signing a service contract with the purchaser of the set. After the set is installed but before the expiration of the service contract, a short circuit in the receiving set causes a fire and considerable damage to the surrounding property. Somebody has to pay for this damage. But who?"

Is your mind as blank as that TV screen, when it comes to answering this question? This is no time to wonder—it's time to act! Ask the Advertising Department for your copy of "Product Liability True or False" and KNOW.

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Rates—\$12 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline Tuesday noon in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

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## WANTED IMMEDIATELY

Combination office manager and underwriter with experienced compensation and casualty lines. No production involved. Man of middle age or beyond with exceptional ability and experience to supervise all office functions of well established agency preferred. Reply by letter only, stating experience, references, age. Replies confidential. Salary \$400.00 per month.

Address: Insurance Service Agency  
Luhrs Building  
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## WANTED

**AUTOMOBILE AND CASUALTY UNDERWRITER:** Well established multiple-line company needs capable man 25-30 with three to five years casualty underwriting experience (preferably in the Southeast) as head underwriter regional office at Raleigh. Salary commensurate experience and ability. In replying give full details background, experience, age and present status. All replies strictly confidential and our own employees know of this ad. Address A-82, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## FOR LEASE

5,000—12,700—20,000—40,000 sq. ft. Ideal location for light manufacturing and warehousing. NYC and B&O RR facilities available. Fourteen trucking lines make LCL pickups daily. Good labor conditions. R. E. Highman, Suttle Equipment Company, Lawrenceville, Ill.

## IBM MANAGER

One of the largest progressive midwestern insurance firms offers an opportunity for a man under 40 with ability to write procedures and supervise personnel. Prefer a college graduate who has five or more years of experience in producing Casualty Insurance accounting and statistical reports. Salary range: \$4000-\$7000. Give complete personal, educational, and work histories. All replies confidential. Address A-80, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## GROUP A. &amp; H. UNDERWRITER

Opening for young man in rapidly expanding A. & H. department of western department office of multiple line group. Some accident and health experience necessary. Excellent opportunity for man who can qualify.

**LOYALTY GROUP COMPANIES**  
120 S. La Salle Street  
Chicago 3, Illinois

Central 6-8570

## WANTED

Underwriter experienced in automobile and general casualty lines in the Detroit Service Office of a National Bureau Company. State age, experience and salary requirements. Address A-81, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## WORKMEN'S COMPENSATION PRODUCER

Excellent opportunity, especially if familiar with retrospective or participating plans. Texas territory only. APPLY — AMERICAN INDEMNITY COMPANY, 1234 Federal Trust Bldg., Newark, N. J.

## LIABILITY UNDERWRITER

Capable of supervising general liability section of western department. Excellent opportunity for right man. Salary commensurate with experience and ability.

**METROPOLITAN CASUALTY INSURANCE COMPANY**  
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Central 6-8570

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Burglary and Plate Glass Underwriter or trainee for large aggressive casualty company's Chicago office. Address A-79, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Experienced bond claim man for supervision Fidelity and Surety claims throughout the Middle West. State age, background, detailed experience, salary requirements. Replies confidential. Address A-66, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## AVAILABLE

Casualty claims manager, twenty-three years experience. Age 45. Familiar with St. Louis and central Illinois territory. Will go elsewhere. Familiar with all lines casualty and fire claims. Address A-83, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

INSURANCE COMPANY MOVING TO FAR NORTHWEST SIDE CHICAGO IN NOVEMBER needs additional Senior and Junior Fire Examiners, Map Clerks, Rate Checkers and Policy Analysts, Key Punch Operators, File Clerks, Typists, Steno for Agency Department. Large office building, landscaped grounds, Hospitalization, Life Insurance and Pension Plan. Address A-84, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## EXPERIENCED BOND MAN

With field production experience. Branch office manager, also manager company bond department available immediately. Address A-85, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Old established loop adjustment office offers permanent position to experienced steno-typist. Replies will be kept confidential. State starting salary expected. Also want switchboard operator who types. Address A-86, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## POSITION WANTED

as SUPERVISING ADJUSTER of auto physical damage claims, training men, making own estimates, 20 years experience both agency and finance insurance companies. Address A-87, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

National of Hartford  
Ups F. C. Carroll

National of Hartford has transferred F. C. Carroll, West Virginia state agent, to the home office as general agent to assist in the supervision of the eastern territory.

Mr. Carroll joined the National for home office training upon graduating from Yale in 1936. In 1937 he was appointed special agent in eastern Pennsylvania, leaving in 1942 to join the army. Upon discharge, Mr. Carroll was made state agent in western Pennsylvania and in 1947 was transferred to take charge of the West Virginia field.

C. E. Parkin, special agent in West Virginia since 1948, has been promoted to state agent and will assume charge of that field. He is a native of West Virginia and an alumnus of Ohio University. To assist Mr. Parkin, Robert W. Nelson, special agent of Philadelphia since 1947, has been assigned to West Virginia. He is also a native of West Virginia and an alumnus of West Virginia University.

## Gulf Increases Dividend

Directors of Gulf of Dallas voted to increase the regular quarterly dividend from 35c to 40c per share. Payment is to be made on July 15. Two 35c dividends had previously been paid this year and four regular dividends plus an extra dividend for a total of \$1.25 for 1949.

President T. R. Mansfield reported a profitable experience for the first half of 1950, with net premiums, unearned premium reserves, policyholder's surplus and total assets all reaching new high marks.

Charles H. Huguélet, formerly with Meeker-Magner Co., Chicago has joined Kelso & Sons there. He entered insurance in 1902 at Chicago and has been with Hanover, L. E. Yager & Co. and Roger & Rollo.

C. R. McCotter Honored  
for 45 Years Service

C. R. McCotter, president of Grain Dealers National Mutual Fire, this week completed 45 years service with the company, eight years as chief executive. He was guest of his associates at a luncheon marking the anniversary. R. K. Eby, general counsel, spoke briefly and presented an anniversary gift on behalf of the employees.

Mr. McCotter started as a field man at Indianapolis in 1905 and served many years as western manager of Grain Dealers Mutual at Omaha. He was elected president in 1942. Mr. McCotter has taken active interest in insurance education and is now a trustee of American Institute for Property & Liability Underwriters. He is a board member of American Mutual Alliance, chairman of the governing committee of the Mill Mutuels, and an advisory board member of Lumbermens Mutual Casualty.

## Kreulen Marine Head

American International Underwriters Corp. has appointed Vice-president R. A. Kreulen as marine manager. He will have over-all supervision of the overseas marine activities, succeeding Fred Maccabe, who was recently elected president of American International Marine Agency.

Mr. Kreulen has been active in the foreign marine insurance field 40 years and was far east marine manager for various American insurance interests commencing in 1921. From that time, until 1946, while based in Shanghai, Mr. Kreulen traveled extensively throughout the entire Orient. In 1946 he joined A.I.U. as vice-president specializing in far east insurance matters.

Mr. Kreulen was born in Holland, but early in life migrated to the Dutch East Indies in which territory he commenced his insurance education.

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HOTEL VALUE  
IN  
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TWO PERSONS  
FOR THE PRICE  
OF ONE



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## Radiation Hazard Underwriting a Must

(CONTINUED FROM PAGE 2)

in many people not directly concerned with the project. This fear is perhaps understandable enough but it is nevertheless quite unnecessary and unreasonable. If given sufficient reign, to place serious difficulties in the way of underwriting all new developments in this field, it could become a significant roadblock in the path of progress in this great new area of human development. For this reason I look upon the problem as a grave one indeed and feel that it is, therefore, very much worth our while to explore it and examine it rather carefully.

### Nuclear Piles in Operation

"In this country at Hanford in the state of Washington, at Oak Ridge and at Chicago, and soon at the Brookhaven Laboratory on Long Island, we have nuclear reactors or piles in operation. Each such pile is a nuclear furnace in which the same reaction takes place in a steady controlled fashion as occurs explosively in an atomic bomb. In all of the present nuclear reactors this energy release is dissipated and carried off by great quantities of cooling air or water because they were designed for other purposes than a furnace. But the atomic energy commission is presently engaged in building four new nuclear reactors on an isolated location in Idaho. One of them will operate at a super-intense power and radiation level and will be used to test materials for future design. The other three are all power reactors, two for the primary power plants for submarine and naval vessel propulsion and the third for a test stationary power plant. Although there is a long and difficult road ahead, we all look on these devices as the prototypes of a great new industrial power development of the future.

"But more than this, each of these nuclear ovens produces as the ash of the uranium fission process on which it operates, great quantities of radioactive materials. Other extraneous materials when placed in the reactor become themselves radioactive. These materials are now being made in quantity at Oak Ridge in this country, at Chalk River in Canada, and at Harwell in England. Shipped out to hospitals, universities and industries in ever increasing volume, they are finding more and more uses in the diagnosis and treatment of disease, as a powerful research tool in many branches of science, and in novel and important industrial processes.

### Large Scale Development

"Perhaps this is enough to drive home the observation that we are really standing on the threshold of a significant and large scale development. With this point granted, it follows that the concern of underwriters in this development cannot be escaped or ignored. The risks involved are determinable and controllable. Certainly sooner or later some companies are going to obtain the necessary information about the nature of these new risks to underwrite them intelligently and safely. Then as the development grows and flourishes these companies will become a natural part of it and more and more industries, power interests, hospitals and others will look to them to handle their insurance problems. Other companies which adopt a steer clear policy on the blind and mistaken assumption that radioactivity and radiation is a kind of esoteric, super-knowledge comprehensible only to a few high-powered scientists, will slowly but surely fall out of the main stream of this industrial development.

"Do ordinary people have to steer clear of radioactivity and radiation and leave the whole subject to advanced science? Let us first dispose of this bogey. Radiation injury is really a very simple, straightforward matter. The most familiar form of it is sunburn which is produced by a very low energy unpenetrating radiation in sunlight called ultraviolet. Ordinary X-rays are a higher energy more penetrating form which in

large doses produces tissue damage and bodily injury of much the same type as sunburn except at greater depths in the body. Nuclear radiations from a going nuclear reactor or power plant, or from the radioactive materials produced in them are essentially the same radiation as X-rays, except that they are of higher energy and more penetrating than most X-rays. They also produce high energy particles, electrons and neutrons, which make a component of radiation different from X-rays but produce much the same effects on the body.

### Damage from Radiation

"The damage from radiation arises from the fact that it ionizes atoms and molecules which absorb or scatter it. Ionizing an atom means knocking an electron off of it so that it becomes electrically charged. Such ionized atoms are very much more active chemically than the corresponding neutral atoms and they form quite different chemical compounds. Thus in any living cells which have been exposed to radiation, many complex biochemical compounds are disrupted and new toxic ones formed. It is like having a sunburn throughout the

body, not just on the skin. If the exposure is small, the body eventually repairs the damage as fast as it occurs and no harm is done. But when large exposures occur, repair may be quite difficult and prolonged. The exposed person develops radiation sickness and may be very sick and incapacitated for a long period before recovery. With sufficiently large doses death occurs.

"I do not wish in any way to minimize the danger from radiation or the very real potential hazards for those who work with it or with the radioactive materials which produce it. But there are many other industrial hazards which are potentially just as dangerous. The significant point for the underwriting profession is that it is a hazard capable of being evaluated, discovered, determined and controlled with an accuracy reliability equaled in the case of few other hazards."

### Commend Philadelphia Changes

PHILADELPHIA — The National Board has commended the rebuilding of the city's fire bureau, but warns that the center city area still lacks adequate protection because of an inadequate water supply.

A bulletin from the Board's committee on fire prevention and engineering standards said the important 54-inch

supply lines between the East Park pumping station and the congested value district has evidently been allowed to lag with only 700 feet of the new main installed. Nearly 100 pumpers, ladder trucks and other fire-fighting machines have been or will be replaced. The Board inspectors said the bureau of building inspection was undermanned.

### Oppose Age Limit Change

Connecticut's legislative council has turfed down a suggestion that the minimum age for drivers be raised from 16 to 18 years. The committee found "there is no evidence in available records respecting conditions in this state pertaining to this particular group of operators which would warrant a recommendation that the age requirement be raised to 17 or 18 years of age."

"We conclude that, until evidence of poor operating performance by this group is presented, the laws governing the matter be retained without change."

Parental consent and financial responsibility are now required of drivers in the 16-to-18 years bracket.

K. E. Eckert and Roy W. Taylor, formerly director and assistant director of management, respectively, of Portland (Ore.) Housing Authority have established an agency there.

*Is the Insurance Agent really "a Good Man to Know"?*



## THE AGENT AND ADVERTISING

How can Advertising  
Make the Agent  
a Good Man to Know?

Advertising which tells people what insurance can do for them helps to make the agent "a good man to know".

"Name"-advertising is essential so that people will know the agent, but by itself it's not enough!

People want to know and need to know how business-operated and local agency-distributed insurance will make them safer and happier. They want to know just what we mean when we talk about "security, American-style".

Because people are interested primarily in themselves, your advertising should talk to them in terms of the hazards to which they are subject and how your service and your protection will take care of these hazards.

Advertising spelled with a "U" and not with an "I" makes the insurance agent "a good man to know"!



Ohio Farmers  
Insurance Company

Chartered 1848 . . Le Roy, Ohio

OHIO FARMERS INDEMNITY COMPANY



THE INSURANCE AGENT IS A GOOD MAN TO KNOW

## Aetna Casualty's Course Is Unique

(CONTINUED FROM PAGE 11)

Mr. Redding believes. Knowing it and presenting it skillfully are two different things. When the course has been completed the graduate is equipped to go out on his first day home and make a sale.

The student is well grounded in a tested program for building a business and a clientele. He is trained especially

on lead lines such as personal accident, comprehensive personal liability, and other lines which have a wide appeal. This is a vital matter to a great many of the students who are new to the business and whose first job is the securing of customers who can later be developed.

The development of these customers

into accounts is stressed through the study of Aetna's customer development program and the Aetna plan of risk and insurance analysis. This applies to both personal and commercial risks. During the course every student is required to complete personal and commercial surveys, so that when he returns home he should be able to take care of his customers' complete insurance needs. Aetna Casualty feels that this method places the agent on a highly professional basis.

Recognition is given to those students who do outstanding work. From an academic standpoint, a blue ribbon is attached to the certificate of those completing the course with an average grade of 90 or better. At the end of each session a sales contest is conducted and the winners receive a gold ribbon on their certificates showing their proficiency in sales work.

### Aiding One Man Agencies

The school is very helpful in the company's program of perpetuating small, one-man agencies. In this field Aetna Casualty probably has done more than any other company. School applicants often are those who are lined up to enter small agencies and eventually take over a part interest if they prove themselves. The company seldom takes a student who does not have an ownership interest or a prospective interest in an Aetna agency. Many of the students are sons or relatives of men who are now operating Aetna agencies. Others have agreements with agents now in the business that will give them at least a part ownership if all goes well in a specified period of time. Some, of course, already have their own agencies and have taken five weeks away from their work to broaden their knowledge. The average age of the students is 28—most of them are married and have been to college. Prior to coming to the school, they have completed Aetna Casualty's home study course and done other reading. Many have spent some time in the insurance office with which they are connected, getting some practical background which will enable them to accomplish a great deal more while at the course.

The course takes a lot of time, money and energy, but the company is certain that the venture pays off, for the company and for the agent—and through him, for the customer who finds his insurance written in a highly satisfactory manner. The graduates of the course will stack up favorably with many agents of years experience in the business on any practical test. The relationship built up between the company and the agent is a close one and grows over a period of years. It is significant that many enrollments are coming from young men who are to be associated with successful insurance agents who completed the course themselves many years ago, and have now reached the point where they feel the need of taking on additional manpower to help them take care of their growing volume of business.

### Bulletin Tells Insurance Available for Farmers

WASHINGTON — Types of insurance protection for the farmer against various accidents for which he may be held liable are explained in bulletin 2016, "Insurance for Farmers," published by the Department of Agriculture.

"The possibility that a farmer might lose his farm or his life's savings to satisfy a judgment is a risk which should be insured against," it is pointed out. The bulletin was prepared by Ralph R. Botts, bureau of agricultural economics.

It explains the principles and uses of all kinds of insurance in which farmers might be interested—fire, windstorm, crop and hail, liability and life.

The section on liability insurance includes such items as automobile and truck insurance, farmer's comprehensive personal liability and employer's liability.

## Commercial Union Makes Tex. Changes, Lee to Home Office

Commercial Union has made several promotions and appointments in Texas. Thomas B. Lee, special agent in northeast Texas, has been appointed secretary and will be in charge of the Texas department with offices at New York City. He succeeds T. B. Kelley, who has assumed other executive duties at the home office.

William D. Story, who has been associated with Mr. Lee in northeast Texas, will continue to supervise that field.

J. Wayne Rogers has been appointed special agent at Houston, where he will be associated with Oscar E. Finley in supervising the southeast Texas field.

William Ricketts has been named special agent for southwest Texas with headquarters at San Antonio. He replaces B. C. Doherty, resigned.

### Clark to Standard

L. Gilbert Clark has been named manager of the fire and marine department in the New Jersey branch of Standard Accident. He started in 1946 as a field representative in New Jersey. Earlier he served 20 years as a special agent for Springfield F. & M.

### Kill Health Dept. Plan

WASHINGTON — President Truman's plan to create an executive department of health, education and security was killed in the House by a vote of 249 to 71, as a Senate committee reported unfavorably on it.

### Miss. Groups Reward Youths

Mississippi Field Men's Assn. and Mississippi Assn. of Insurance Agents awarded a total of \$135 to winners of the annual fire prevention contest to five state chapters of Future Farmers of America. The awards were presented by Foster Collins, American of Newark, president of the field group, in ceremonies at Mississippi State.

### McOrmond Rotary Speaker

Raymond R. McOrmond, Jr., special agent of Phoenix of Hartford, told the Rotary Club of Hatboro, Pa., that the best bargain anyone can get today is a fire insurance policy. He described the services that insurance provides for its policyholders, and showed three films, "Texas City Comes Back," "Crimes of Carelessness" and "Before the Alarm."

### N. Y. Hospital Plan Works Well

NEW YORK — The New York City hospital admissions plan for group insured has been successfully established. A few minor quirks turned up in the first week's operation but no serious problems arose. The plan is considered very helpful for insured, hospitals and insurers.

### Philadelphia "Funday" Big Success

PHILADELPHIA—"Funday" of Insurance Society was one of the most successful in the group's history. The festivities began with a parade of some 700 persons through the insurance district in the morning. Members and guests traveled to Melrose Country Club for a day of sports, concluded with a dinner and awards.

In softball, General Accident trounced Home 6 to 2. Low net winner in golf was Howard Coe.

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## NEWS OF FIELD MEN

### Home Sets Up Changes in Ohio

H. H. Chittenden, resident secretary of Home in Ohio, has been promoted to resident vice-president in that state. Effective Jan. 1, 1951, Mr. Chittenden will relinquish his active duties in favor of R. W. Nelson, who will become manager for Ohio. Mr. Chittenden, however, will continue to act in an advisory capacity after that date.

Robert L. Engle, state agent, has been assigned to supervision of the farm department for the state with the title of office manager. Sylvester E. Duley, associate state agent, has been named state agent.

Mr. Chittenden, who was born in Kentucky, first entered insurance in Kentucky when he was employed by the Kentucky Actuarial Bureau with which he served until 1917 when he was employed by Home as special agent for that state. In 1924 he was transferred to Ohio where he served in the same capacity until his appointment as state agent in 1929. In 1940 he was appointed manager of the Ohio field. In 1946 he was made resident secretary. Mr. Nelson, who was born in Columbus, O., joined the company as a special agent in 1921 and later served as manager of the Cleveland service office. In 1939 he was transferred to Columbus as associate state agent and later as state agent.

Mr. Engle became state agent of National Liberty, a former Home affiliate, in Indiana. In April, 1934, he was appointed associate state agent of Home in that state. In 1937 he transferred to Ohio as associate state agent—office manager, supervisor of the Ohio farm department. In 1948 he was appointed state agent. He is a native of Indiana and was graduated from Purdue in 1911 as a civil engineer.

Mr. Duley, a native of Brooklyn, joined the company in 1928, becoming state agent in Ohio in 1941.

### Kan. Steering Group Named

John L. Vorse, Security state agent, Wichita, president of Kansas Fire Prevention Assn. has appointed on the executive committee Frank Regier, Corroon & Reynolds, Topeka, chairman; Gen. Howard S. Searle, Crum & Forster, Topeka; Curtman Maupin, Home, Topeka; George L. Steeples, Home, Wichita; Harry B. Brown, Northwestern National, Wichita; Gene K. Thomas, Kansas City F. & M., Topeka, and C. J. Wintroll, Royal-Liverpool, Wichita. The executive committee is to meet shortly to complete plans for the new year and consider some requests for "town inspections."

Mr. Thomas has been named Kansas district chairman for the National Fire Waste Council to supervise fire prevention activities in towns and cities affiliated with U. S. Chamber of Commerce. Other towns will be supervised by K. J. Stoike, National Fire, Topeka.

### Neary in New Post

American has named Edmund M. Neary as field supervisor in the home office. He has been special agent at Camden and there he will be replaced by Special Agent Oscar H. Linderoth. Special Agent John S. Latimer will be associated with Mr. Linderoth.

American has transferred Special Agent Edwin Stewart, Jr., from Baltimore to Asbury Park, N. J.

American has opened a field office in Atlantic City, under the supervision of Special Agent Milton C. Voight, located in the Guarantee Trust building.

### Texas Field Men Resign

Two Texas special agents for Crum & Forster have resigned. Marion Wheeler, Fort Worth, has joined the Durwood

McDonald & Co. local agency and Girard Kinney, Austin, is to go with Texas Casualty of Longview in charge of its new fire department.

### Nashville Setup Expanded

The Nashville office of North America companies has been expanded to a service office. W. E. Bethshares is manager and the staff now includes three special agents and a technical representative as well as complete loss and service facilities for fire, auto and marine. The new address is American Trust building, Nashville.

### Push Mich. Prevention Work

LANSING, MICH.—Members of the governor's fire protection conference, most of whom are field men, are campaigning throughout Michigan for stronger local ordinances to reduce fire hazards and strengthen protection. Ray T. Jennings, Lansing, American state agent and member of the executive committee of the conference, appealed at a meeting of the Owosso Kiwanis Club for support of the local fire chief in obtaining a strong ordinance to

permit penalizing of property-owners who fail to heed department orders to remove hazards. He stressed the high percentage of preventable fires which cause a huge volume of needless property loss and cost many lives.

### New Phoenix Mich. Office

Phoenix of London group has opened a service office at Grand Rapids in the National Bank building. Kenneth E. McNamara, special agent, is in charge.

The annual picnic of Utah Blue Goose will be held at **Schneiters Hot Pots** at Heber City, July 15.

Forty couples attended an outing at Wildwood Beach as guests of the **Webetts**, which is the recently formed ladies' auxiliary of the Fresno-San Joaquin pond of the Blue Goose.

### Three New Directors

Appointed as directors of New York Board by President Victor Kurbyweit are Henry E. Frost of Hoe, Ellison & Frost; S. T. Skirrow of Great American and T. Morgan Williams of Home.

A new local agency known as Hutchinson Mortgage & Insurance Co. has been established at **Portland, Ore.**, by Walter E. Hutchinson, former regional attorney for FHA.

## CHICAGO

### EXPECT TWENTY-EIGHT AGENTS

It is expected that about 28 agents from 16 states will take part in the conference at the Union League Club, Chicago, July 18, with representative western department managers. The agency group comprises active leaders in the state agents associations, with George Carter of Detroit, as usual presiding and directing the activities. The company group will have E. A. Henne of America Fore as chairman.

### BRUNKE JOINS ERION

E. R. Brunke, who has resigned as Cook County manager of Western Adjustment, has become associated with Frank L. Erion & Co., the Chicago independent adjusting firm. Mr. Brunke had been with Western Adjustment since 1930, serving variously at Terre Haute, Ind., St. Louis, Rockford, Ill., the south side branch at Chicago and finally at the head office.

Hugo Dalmar, Jr., of H. Dalmar & Co., won the low gross golf prize at the annual outing of Chicago Real Estate Board.

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## EDITORIAL COMMENT

### National Fire Rating

In discussing establishment of national rating in the fire business, executives find that problem touches on some others. To get to national rating they have to go across the bureaus. But the big outburst of form deviations has focused attention on one of the real values of the bureaus, to maintain order.

Since rating bureaus are creatures of the companies, presumably executives can create a national rating organization, endowed with whatever authority it needs to function effectively, any time they want to—or can—make the decision. Then why don't they do it?

There is some progress being made. Fire rating bureaus themselves have indicated a willingness to meet the problem by facing it and doing what they can. One has agreed to handle a cover that contains fire and casualty. Another has cooperated with national rating organizations, in casualty, inland marine and automobile, to meet a situation or two involving multiple line packages.

What presents so cumbersome a problem as to call for something additional is the necessity of consultation between national rating organizations and many separate fire rating units. Some of the latter are statutory, but there seems to be no prohibition against a national setup that could be advisory in states where they are.

Some over-all authority in the fire business is needed to make quick decisions on matters that cross state lines and that cross insurance lines. Then there would be needed a working arrangement between the various national rating organizations so that prompt decisions could be made at the national level affecting all lines of business. Some national problems exist in the fire business—term rule, coinsurance, forms, and research on the commercial side—that call for a continuous national approach.

Headway is being made in reaching a combination of the two national auto rating bureaus. The casualty and inland marine rating bureaus, already national in character, are disposed to foresee and plan for the kind of cooperation that will make multiple line and interstate rating work.

At the moment, however, in the top fire executive echelon, the subject of national rating is marking time and may continue to do so till cooler weather. One reason is to give all executives a chance to grasp the full significance of the idea of national fire rating, its necessity and size in addition to its

novelty. In the meantime, there is some unadvertised jockeying for position between individuals in the rating field, between fire and casualty elements, between regions in fire, and between fire executives.

Form deviation, on the other hand, is as hot as the weather, and apparently in that field there is to be no summer quietude.

Thus the fire business is not likely all at once to reverse the rating pattern of years and leap to a national rating organization. But it seems possible for the business to designate an existing fire organization, perhaps the National Board, to act on a plan or problem with other national rating units, and to work out a method of accomplishing the job expeditiously. There is still talk that the functions of National Board might be extended to embrace the commercial function of national rating though the chief argument against it seems to be that this could mean its end as the blue chip public service creation of the stock only fire companies.

Most of the executives and rating men concerned with the national fire rating problem are men of sound spirit and technical competence who can be expected to reach satisfactory conclusions bearing so importantly on the future of the entire fire-casualty business.

They have the welfare of the business at heart. There may be a disagreement on method; there is little real disparity in view as to objective. Some of the personnel problems can't be solved overnight. But they are not insolvable. One man may believe he is more capable than another of assuming additional responsibility created by the changes ahead. In the new era there may be one manager instead of two; but there may be four assistants, not two. The thing to keep in mind here is the continued existence of opportunity for good men. There will always be plenty of work to be done.

There may have been a tendency in recent months indirectly to derogate the value of the fire rating bureaus, because there are a number of them, and because they do a localized job and are not able to address themselves to a function that extends beyond their jurisdiction. Yet the experience of Aetna Fire with its auto output policy demonstrates the impractical awkwardness of a company filing direct with the states rather than through the established fire rating machinery. That ex-

perience also shows the whole problem is not limitation of jurisdiction, geographic or subject matter. State laws have something to do with it. Acceptance by states of filings may follow old patterns that cannot accommodate the multiple line package.

There certainly seems to be no disposition to destroy the sovereignty of the rating bureaus in setting up national fire rating or seriously delimit their usefulness in any way. Commissioners may be impatient that the fire people don't move more rapidly, but every state commissioner probably would testify to the fire rating bureau's essential usefulness for his own bailiwick. Executives look to the bureaus to maintain order and reasonable uniformity. For example, if there were two or three widely sold, widely differing extended coverage forms—a strong possibility—the lack of concurrency in a catastrophe could be extremely serious and involve gravely the attitude of large numbers of the public toward the insurance business generally.

A word must be said of the permanently local character of the vast majority of properties to be insured. The problem of fire and fire protection itself is largely local and will always remain so. The casualty people might wish they had as satisfactory a means for stimulating and maintaining good local enforcement of traffic safety laws and for securing proper and adequate roads and signals, as the fire people have through the local rating bureau to achieve fire safety. There have been some interesting examples of errors committed at the national rating level which would not have been made if the rating was done on a local basis as is the case with both fire and workmen's compensation.

In the last two years the National Council on Compensation Insurance has solved a national rating problem similar to that which faces the fire business by establishing machinery for processing interstate business. In the compensation field state jurisdiction in many areas is strong and independent. Some of the state workmen's compensation rating bureaus are independent, some are operated by the state, some are operations of the National Council. But on interstate business the National Council acts as a research organization, a collator and clearing house of statistics; it keeps the manuals uniform, maintains uniformity in actuarial procedures, etc. What the council has done might be suggestive to the fire people.

There is one feeling among the fire people that does not arise peculiarly from the insurance business. This is that a national fire rating organization would be more vulnerable to federal—and perhaps state—governmental controls or influence than are a number of separate state rating bureaus.

To accomplish national fire rating, existing bureaus can be used, the regional organizations can be used. As the readjustments are made, savings and economies may become possible, but the main goal is to get the new job done. The business may find, as individual company groups have found when they swing over to a multiple line operation, that the task is more complicated and detailed than might be supposed and economies are slower in developing than had been hoped. Yet the business should also find that the results are good and will grow better. The objective of the companies has been—and it should be one for the business at large—to do a larger job at a lower cost per dollar of premium.

## PERSONALS

**Bradford Gill** of the Moore, Case, Lyman & Hubbard agency, Chicago, and Mrs. Gill have returned from a six weeks' European visit. Mr. Gill visited the London Lloyds people during the course of his trip.

**George Morrissey**, in charge of the insurance section, army engineer corps, has flown on a mission to Ankara, Turkey, with a stop-over at London. His return is expected about the first week of August. The American mission under the Turkish aid program, is reported setting up a new engineering group in Turkey, to have charge of construction and other technical work. Mr. Morrissey performed a similar mission to Greece a year or two ago, which was related to workmen's compensation, public liability, auto, etc., coverage in connection with construction and rehabilitation work.

**P. B. Hosmer, Jr.**, of R. W. Hosmer

& Co., local agency of Chicago, and Mrs. Hosmer are on a motor cruiser with another couple in Lake Superior. They are charting some of the harbors for the Great Lakes Cruising Club.

### Great American Makes Dunn Agency Supt., Ups Boynton

Great American has appointed Eugene G. Dunn agency superintendent for the New England and New York department, succeeding Norman E. Moore, who was named superintendent of the special risks department. Charles I. Boynton, formerly special agent in eastern Massachusetts, succeeds Mr. Dunn as special agent in New Hampshire and Vermont.

Mr. Dunn has been in the New England field for 18 years, starting with Employers Fire and later going with Hanover. He joined Great American in 1946. Mr. Boynton, who joined Great American at the home office, will make his headquarters at Manchester, N. H. He served in the last war.

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## DEATHS

**W. H. SEXTON**, independent adjuster at Traverse City, Mich., died recently.

Mr. Sexton was 51 years of age. He died in Veterans hospital at Dearborn, Mich. He opened his independent adjusting office at Traverse City three years ago.

**EDWARD W. DANN**, 81, chairman and former president of Richland Mutual, died at Mansfield, O. He joined the company 50 years ago as a clerk. He resigned as president last December.

**ARTHUR E. BUSS**, 66, vice-president of Dick & Reuteman Co., Milwaukee agency, died of a heart attack while visiting friends in the country. He started with the agency as an office boy and became vice-president eight years ago. In 1948 he was honored for 50 years of service by his firm and several insurers.

**CHARLES L. HARRIS**, 57, resident vice-president of New Amsterdam Casualty at Cleveland, died suddenly at a hospital at Berea, O., following a heart

son home at Oak Park, Ill., after an illness of several months. Funeral services were held Wednesday afternoon. Fred R. Johnson, a son, is connected with United and there is another son, J. Leonard Johnson.

**MRS. JANE MANTOR RUPP**, 82, wife of Elmer K. Rupp, news correspondent for insurance trade papers, died at her home at Los Angeles after an illness of several months.

**THOMAS P. KEARNS**, 78, for a number of years superintendent of the safety and hygiene division of Ohio Industrial commission, which he organized, died at Hartford from a cerebral hemorrhage. The funeral was held at Dayton Monday. He conducted safety congresses in Ohio for many years and was well known to insurance men.

**ALOIS M. ROGALSKI**, 52, of the J. M. Schneider & Son Co. agency, Milwaukee, and previously with the R. J. Talsky agency, died of a heart attack.

**ROY DAVIDSON**, 56, partner in the Holley & Co. agency, La Crosse, Wis., died suddenly. He joined the agency in 1914 and became a partner in 1927. He was a former president of La Crosse Board of Fire & Casualty Underwriters and member of the executive committee of Wisconsin Assn. of Insurance Agents.

**E. LEWIS REIFF**, 67, local agent at Philadelphia for many years, died at his home.

### Richter, Galloway Expand

Richter, Galloway & Co., Denver general agency, has been appointed general agents for Colorado, Wyoming and New Mexico by Canadian Fire and Canadian Indemnity.

The agency has opened a service office at Albuquerque with Albert U. Gaines as manager. Mr. Gaines has been New Mexico special agent for Southwestern General Agency of Phoenix and before that was with Mountain States Inspection Bureau.

### Adjusting Costs Lowered

Cost of adjusting losses has decreased 45% since 1935, Harry J. Boyle, general manager of the Pacific Coast department of General Adjustment Bureau reports.

The Pacific Coast department, which did not experience any catastrophe in 1949, handled in excess of 5,000 more assignments than in 1948, yet the paid losses decreased nearly \$12 million. Improved techniques and increasingly efficient methods have combined to make adjusting operations more economical.

The bureau's intensified training and refresher courses for adjusters will be continued in the fall.

## STOCKS

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July 10, 1950

Aetna Casualty .....	3.00	90	93
Aetna Fire .....	2.20*	54	55 1/2
Aetna Life .....	2.50	53	55
American Alliance ..	1.20	25	26
American Auto .....	2.00	43	46
American Casualty ..	.80	16	17
American (N. J.) .....	.90	18 1/2	19 1/2
American Surety ....	3.00	57	59
Boston .....	2.40	56	58
Camden Fire .....	1.15*	22	23
Continental Casualty ..	2.50*	54 1/2	56 1/2
Fire Association ....	2.60	59	62
Fireman's Fund .....	2.60	86	88
Firemen's (N. J.) .....	.60	20	21
Glens Falls .....	2.00*	47	49
Globe & Republic ..	.50	13	14
Great American Fire ..	1.30*	29	30 1/2
Hanover Fire .....	1.60	31	32 1/2
Hartford Fire .....	2.50*	121	124
Home (N. Y.) .....	1.60	33 1/2	34 1/2
Ins. Co. of North Am. ..	2.50*	108	111
Maryland Casualty ..	.80	16 1/2	18
Mass. Bonding .....	1.60	29	30 1/2
National Casualty ....	1.50*	30 1/2	32 1/2
National Fire .....	2.50*	58	60
New Hampshire .....	2.00	42	44
New Amsterdam Cas. ..	1.20	33 1/2	35
Ohio Casualty .....	1.20	60	61 1/2
Phoenix, Conn. ....	3.00*	70	72
Preferred Accident ..	...	4 1/2	5 1/2
Prov. Wash. ....	1.40	30	32
St. Paul F. & M. ....	2.60	99	101
Security, Conn. ....	1.60	31 1/2	33
Springfield F. & M. ..	2.00	42 1/2	45
Standard Accident ..	1.60	33	35
Travelers .....	12.00	435	440
U. S. F. & G. ....	2.40	45	47
U. S. Fire .....	2.00	68 1/2	70 1/2

\*Includes extras.

# COMPANY COOPERATION

For almost 100 years we have been helping our agents get results, sincerely cooperating in solving their special problems, and keeping them alert to today's opportunities through experienced fieldmen, backed up by an informative and reliable advisory service. Among the results is the confidence and satisfaction of our policyholders and the growth and progress of our agents.

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PACIFIC COAST DEPT.  
340 Pine Street  
San Francisco 4, Cal.



CHARLES L. HARRIS

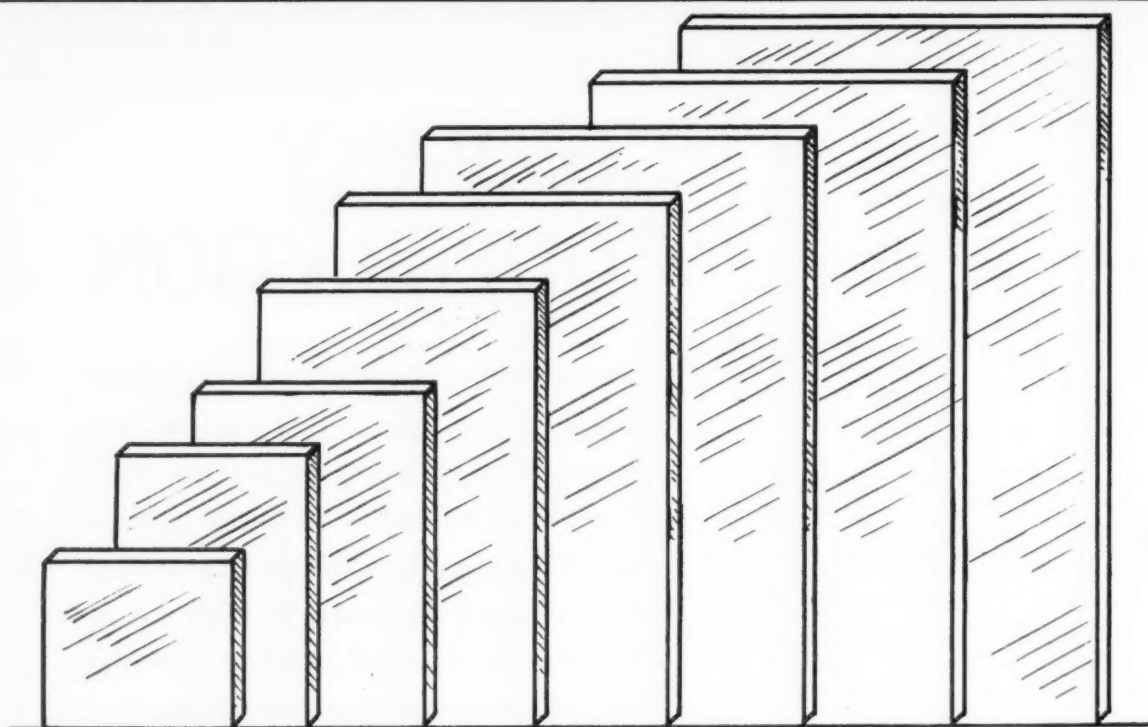
attack. In 1930 Mr. Harris opened the Ohio department of New Amsterdam and was named manager. He continued in that position until becoming resident vice-president. Before joining the company Mr. Harris headed C. L. Harris & Co., a Cleveland adjusting firm with branches at Akron, Youngstown and Toledo. He was a past president of Cleveland A. & H. Assn. and Cleveland Assn. of Casualty Managers.

**BERNARD R. BUSTER**, 43, manager at Milwaukee of General of Seattle, died there. A graduate of the University of Colorado, he was a football star there and an all-Rocky Mountain Conference guard in 1929. He went to Milwaukee from Seattle 13 years ago.

**HARRY F. ESPENSCHIED**, prominent local agent of Danville, Ill., died at the age of 78. He was in his earlier days one of the leading fire insurance field men in Illinois. He was born at St. Louis and entered the insurance business with the A. P. Espenschied local agency at Sedalia, Mo., in 1891. Then from 1893 to 1910 he traveled in Illinois for National Fire when Fred S. James was the general agent. From 1910 until his death he had been engaged in the local agency business with Phillips & Espenschied at Danville. Mrs. Espenschied was the daughter of George Stauffer, who for many years was Illinois state agent and later assistant western manager of Fireman's Fund.

**WILLIAM C. McARTHUR**, 89, president of National Travelers of Des Moines, died there following an illness of three years. He had served as president of the company since 1923.

**MRS. L. HAZEL JOHNSON**, wife of A. D. Johnson, secretary of United of Chicago, died Monday at the John-



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NO PROJECT  
TOO  
LARGE

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## W. E. Stichter New President of Counsel Group

### International Association Convention at White Sulphur Sets Record

Wayne E. Stichter of the Toledo law firm of Effler, Eastman, Stichter & Smith was elected president of International Assn. of Insurance Counsel at the annual meeting at White Sulphur



L. Duncan Lloyd



W. E. Stichter

Springs, W. Va., succeeding L. Duncan Lloyd of the Chicago law firm of Lord, Bissell & Kadyk. This was the best attended convention ever held, with 673 on hand. In addition to papers of technical interest highlights of the convention were the talks of Dr. Francis P. Gaines, president of Washington & Lee University, and Cody Fowler of Tampa, president-elect of American Bar Assn.

Mr. Lloyd in his presidential talk emphasized that a lawyer representing an insurance company is a vital part of the insurance operations. He owes a

#### NEW OFFICERS ELECTED

President, Wayne E. Stichter, Effler, Eastman, Stichter & Smith, Toledo.

President-Elect, Joseph A. Spray, Spray, Gould & Bowers, Los Angeles.

Vice-Presidents, Harlan Don Carlos, Travelers, and Leo B. Parker, Parker & Shipmeyer, Kansas City.

Executive Committee, Stanley C. Morris, Leptoe & Johnson, Charleston, W. Va.; Joyce G. Rowe, Lumbermen's Mutual Casualty; Lester P. Dodd, Crawford, Sweeney Dodd, Detroit.

ity to the insurer who pays his bills, at he must be ever alert to deal with both insured and claimant with scrupulous fairness. He said that when he was a young man he was counseled by a gracious underwriter, when presented with a claim for handling, first to study the coverage, second to ascertain the facts, and if the claim is covered by the insured against, pay the claim without haggling and do it promptly. If there is a question as to whether the claim comes within the coverage, ascertain, if possible, what the insured thought he was getting. Then dispose of the matter on a fair and equitable basis, giving the insured the better of the argument. If the insured or claimant is a cheat or attempts a fraud then fight the claim openly and honestly to the last ditch.

Mr. Lloyd said the fair, prompt and efficient handling of all types of claims coming out of the recent Texas City disaster, was an outstanding example of insurance service at its best.

He said that in the selection of cases

## Indiana Auto Rate "Freeze" Is Lifted

Commissioner Viehmann of Indiana has now lifted the order that he entered about a year ago preventing any change in auto third party liability rates. This "freeze" action was taken when the Indiana legislature adopted the resolution calling for an investigation of automobile insurance claim practices. Apparently Mr. Viehmann wanted to avoid a race for rate reductions that might be predicated on undesirable savings in claim costs, particularly in the property damage liability field. In connection with lifting the freeze, he said that the investigation has been nearly completed and that "the situation has been largely corrected." He announced that the findings of the special commission will be released before the 1951 legislature convenes.

The immediate effect of removing the freeze will be a reduction of 10% in collision and bodily injury liability premiums by most companies. There will be an increase in rates for cars with drivers under 25.

reviewed by the appellate court insurance counsel can be of real service. There are too many futile appeals forced upon the overburdened judiciary and the lawyers must take some of the responsibility for what ensues. Both trial and home office counsel should take an active part in cutting down the number of cases appealed. The appellant has a slim chance of achieving ultimate success. Also, appeals often result in bad law. The cutting down of the number of appeals may ultimately benefit the insurers.

Before recommending an appeal, the trial counsel should consider whether the chances of success are sufficient to justify an expenditure for a lawyer-like job and whether the appeal could result in the creation of bad law.

Trial counsel might well seek the opinions of colleagues to take a more objective view of his case.

#### Paper by Thornbury

P. L. Thornbury, assistant general counsel of Farm Bureau Mutual Auto, Ohio, gave a paper on "Use of Other Automobiles of the Standard Automobile Combination Policy."

The speaker pointed out there are four exclusionary paragraphs in the insuring agreement. The first avoids coverage if the automobile is owned by the named insured or a member of his household, or if the automobile is hired by such a person as a part of frequent use of hired automobiles or is furnished to such a person for regular use. This exclusion, he pointed out, is required so as to prevent an insured paying for a policy premium on only one automobile being covered by insurance while driving any car whether owned by him or by members of his family or hired or furnished for their regular use.

The terms "frequent use" and "regular use" are hard to define and determine and have been the basis of litigation. The conclusion reached by most courts is that the construction of the terms must be measured by the evidence of the particular case. For example, if it is the practice of an automobile sales agency to permit its salesmen to use any car for sale for the purpose of demonstrating it and using any one of such cars to go to and from home, then it should be said that the auto is one furnished for the regular use of the salesman if he has an accident while driving the car and should not be covered under his own automobile policy.

## La. Governor Vetoes Financial Responsibility Bill

In a move that took most observers by surprise, Gov. Long of Louisiana vetoed the automobile financial responsibility bill that had been enacted by an overwhelming majority in both houses of the legislature. There had been reports that Gov. Long was lukewarm on the measure but when it went through the legislature almost unanimously the theory was that the governor had been won over or at least would not veto the bill. This was a measure of the strict modern type. Louisiana has had no financial responsibility law of any kind.

Sponsors of the measure, however, are hopeful that such legislation can be made effective in the state two years hence. Up until now serious consideration has never been given financial responsibility legislation in Louisiana. What has happened at this session may serve to pave the way for final positive action in 1952.

"I know and agree that something must be done," the governor said in his veto message, "but I don't think this is the solution. Many poor farmers and members of the laboring class would have to give up their cars. Financially, they would be better off in most cases. However, I don't have time to educate them. With regrets, I cannot sign."

Gov. Long has signed the bill, which requires a broker to post a bond of \$1,500, and another, which requires that a broker in qualifying for a license, must make his own application subject to examination by the insurance commissioner.

Coverage should be carried by the sales agency.

The term "household" is also a common catch-all term and again is subject to interpretation in the light of the specific evidence. For example, where two families such as the father and married son, come together temporarily until the newcomer can find a place of abode and where there is no one head of both groups, no permanence, no pursuit of a common object, no union of two families as would make them one, and the father should drive the car of the son and have an accident, then the exclusion "member of household" would not apply to such facts and there would be coverage under the father's policy for an accident had by the father while driving the son's car.

#### Business Use Exclusion

The second of the four exclusionary paragraphs avoids coverage while the automobile is being used in the business or occupation of the named insured or spouse except as to a private passenger car operated or occupied by the named insured or spouse or by the private chauffeur or domestic servant of either. This is necessary because the insurer does not want to cover the exposure which would attend the driving of other than private passenger automobiles—for example, a man whose occupation is that of driving a bus, or of driving a commercial heavy-duty cargo truck, for a premium greatly disproportionate to hazard. This exclusion is also required so as to avoid coverage where some other person, as agent for the named insured or spouse, but unaccompanied by either, may be operating the automobile. Named insured may have few or many employees who drive automobiles on business for the named insured and who may thus incur liability which devolves on the named insured—a liability which, but for this requirement, would be covered by the policy.

The third exclusionary paragraph  
(CONTINUED ON PAGE 20)

## Eye Possibility of Restoring War Rating Plan

### Large Scale Cost-Plus Program Would Affect Insurance Setup

WASHINGTON—Insurance observers believe that the Korean incident, and what may follow, may lead to restoration of the war projects, or joint rating, plan, or something similar, related to government construction and other contracts.

While there was no sign of it to this writing, it is believed that if the government gets into a large-scale construction and other contracting program, on a cost-plus basis, restoration of the wartime plan would be a logical development.

So far, the army, navy and atomic energy commission report no "spurt" in contracts, nor other change indicating ultimate resort to the joint rating plan.

During the last war, that plan, developed through cooperation of the insurance business with government officials, was used on a big scale by the army, navy, air force, maritime commission and federal public housing authority.

Use of the plan was stopped some time ago, except in connection with overseas construction contracts of the military establishment.

If its general use is proposed again, indications are that the insurance people may suggest some changes or modifications.

Meanwhile, LeRoy M. Harff, who was for some time in charge of the defense department contract insurance division, has resigned to practice law with his predecessor in that office, Maj. C. A. Stark, at Minneapolis. Mr. Harff received from the army chief of finance the meritorious civilian award for outstanding service.

Mrs. Ruth M. Johnson, who has been with the division since inception of its program in 1942, is acting chief.

Commander John J. Vogel, Jr., USNR, has resigned as assistant chief of the navy insurance section, to enter the commercial field.

## Starts N. D. Activity

Motor Vehicle Casualty is now preparing to engage in active operations in North Dakota. It has been licensed in the state for several months but has just now submitted rate filings. Ed. D. Cosgriff & Co. of Fargo is general agent for the entire state.

## Shipping Case Hearing

NEW YORK—Resumption of the hearing in the Shipping Assn. case, which involves a question of overpayment of workmen's compensation, has been postponed by the New York department until Aug. 4.

## Management Institute Held

More than 60 local agents from California, Arizona, Utah and Montana registered for the institute for advanced agency management at Stanford University this week. It is sponsored by California Assn. of Insurance Agents and the university with the support of N.A.I.A.

## More Pre-Trial Work Needed in Personal Injury Cases, Rowe Urges

R. G. Rowe, vice-president of Lumbermen's Mutual Casualty, in his address at the annual meeting of International Assn. of Insurance Counsel last week, suggested that home office counsel-trial attorney arrangements must not be complacently accepted as something static. Candid and constructive criticism on both sides is needed to maintain vitality of procedure, especially at a time when big verdicts are becoming larger and more frequent, he said. Large awards in the personal injury field are resulting in heavier insurance costs and more difficult problems for trial attorneys.

Mr. Rowe recommended that the trial lawyers do more work on a case before it goes to trial. When the attorney simply enters the pleadings and puts the file away, he can't do any thinking on the case, and the chances are that the investigation or strategy demands he may make a year later cannot be complied with. Instead, Mr. Rowe proposed that the lawyer have a specially designated junior make a thorough examination of every file as soon as it is received. Then the local insurance manager or adjuster can confer with the lawyer and determine what further investigation is needed, whether

the time is right for another try at settlement or any other strategy that suggests itself. If the adjuster and trial counsel get into the habit of teaming up to put cases in shape for trial as soon as filed, it would be educational to both and develop much good will and mutual respect.

### Lack of Attention Big Weakness

The fact that many cases receive no systematic consideration from trial counsel between the date of their receipt of suit papers and the week before trial is the greatest single weakness in the present setup, Mr. Rowe declared.

There should be a closer and more frequent contact between home office, counsel, local adjusters and the attorney who will try the case. Personal conferences do more to insure continuous consideration of cases from the time suits are filed until they are tried and settled, and the home office men should make an effort to meet occasionally with their trial counsel.

In the metropolitan areas there is some excuse for the neglect that personal injury cases receive, but much can be done to improve matters if there is a frank recognition of the need for improvement. Under the present procedure there are too many settlements on the day of trial, and many of these cost more than they would have had they been settled a year previous under a system where the local branch manager and attorney were making a more continuous exploration of settlement possibilities.

### Relates Poor Settlement Example

Mr. Rowe mentioned that three times within recent months his company has faced a situation wherein settlement was made for a good deal more at the time of trial than could have been effected earlier. In one case a theater accident in 1947 resulted in a broken leg to one of the patrons—occasioned, it was alleged, by insufficient light and negligent construction of an entrance-way to the seats. The trial attorney was furnished with a good investigation and asked for a written opinion. He answered that the theater construction was unusual but not unsafe and the absence of better light did not vitally affect the case. He urged that the company pay not more than a nominal sum to settle and suggested \$2,000 as a top figure. The lawyer got a suitable fee for his opinion and 18 months later, when the trial came up, "his flaming eloquence on the seriousness of the case persuaded us to settle for \$10,400." Had the lawyer given the case a thorough investigation instead of a superficial examination when the company sent him the file, or if he had employed a system wherein all his cases got periodic examinations, the settlement never would have cost what eventually was paid, Mr. Rowe said.

Subject to rare exception, all offers of settlement should be promptly transmitted to the local claim manager or to the home office, he added. A few months ago, on the Pacific Coast, a trial attorney received an offer to settle a case for \$45,000. Assuming this figure to be ridiculous, the attorney rejected it promptly without making any mention of the offer to the company. The jury gave the plaintiff \$150,000 and now the company is being sued for \$50,000, the excess over coverage.

To improve the already effective relations between home office counsel and trial lawyers, Mr. Rowe made a number of suggestions:

Give the trial counsel leeway in making settlements on the day of trial or

## Policy, Coverage Departures in Auto Field Noted

### Competition Based on Liberalization of Contract Is Increasing

Competition in the automobile field these days is tending in the direction of policy and coverage departures. In some quarters this type of competition is looked upon as more important than price competition. The companies that are offering insurance features over and beyond those contained in the standard policies are making an aggressive bid for business on the basis of such liberalization and the independent companies, particularly are watching such developments closely so as to determine whether to follow suit or even to go their competitors one better, or on the other hand, whether to stand pat and try to prevent the automobile front so to say, from becoming too fluid. Many of the independents have become somewhat dizzy in revising their filing time after time to keep up with rate and coverage departures, and there are indications that some of the independents would welcome a period of stability.

The departure that is attracting the most attention currently is that of Anchor Casualty. This company has introduced a number of liberalizing features in both the third party and physical damage coverages and is aggressively merchandising this program.

### Drive Other Car Feature

Especially arresting is the introduction of drive-other-car protection in the fire, theft, comprehensive and collision contract. This applies to non-owned private passenger cars or utility trailers while in the custody of the named insured. It is not applicable to hired or

(CONTINUED ON PAGE 29)


during trial. It should be appreciated that he knows better than the home office, a score of such factors as respect or lack of it which the insured enjoys, idiosyncrasies of the trial judge, and other intangible factors.

When suit is started, see that papers are delivered at once to the trial counsel so that his responsibility and cooperation can be secured promptly. Secure an immediate study of the file by the trial lawyer's office and get his recommendation for further investigation and other strategy.



If acceptable to the trial counsel, cooperate with him in securing from him a periodical review of all cases awaiting trial.

Trial counsel are not close enough to the insurance companies in the present setup. Mr. Rowe said that too often the lawyer feels that the insurance company is not his client, in the final sense of the world, but just another "colored outfit for whom he tries cases." Both the home office counsel and local lawyers must strive for close and confidential relations.

Mr. Rowe had a few words on the question of local attorneys and legislative work, and said he is of the opinion that legislative work cannot form a regular part of the local counsel's job. This is a field of full-time specialty, and the local attorneys can make best contributions by becoming acquainted with the senator or representative from their own community and use their position as a constituent and friend to present the insurer's point of view when an especially bad bill gets in the hopper.



**The General Accident and the Potomac have expanded their facilities under the new multiple-line writing regulations and are issuing a full line of fire and casualty insurance. A feature of the program is INLAND MARINE INSURANCE**

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### Auto Experience Given

Countrywide automobile liability and P.D. experience compiled by the New York department from insurance expense exhibits filed by companies licensed in New York appears this week on ages 30, 31 and 32.

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## Travelers Names L. V. Irvine to Succeed Eglof

Travelers has appointed Lewis V. Irvine supervisor of agency field service, casualty, fidelity and surety and fire and marine lines, succeeding John H. Eglof who has retired. He will direct the home office casualty, fire and marine school.

Mr. Irvine joined Travelers in 1940 as an instructor in fidelity and surety lines at the school. He graduated from Princeton University and then joined Standard Oil of Ohio. He entered insurance in 1926 at Chicago with Aetna Casualty and later went with Picton, Cavanaugh, Inc., of Toledo.

Mr. Irvine is a part-time instructor at the Hartford College of Insurance and has authored several articles for Protection, the Travelers sales magazine. He is a C.P.C.U.



L. V. Irvine

## Implied Permission Found Wanting

The fact that an employee, who had been expressly forbidden to make personal use of a company vehicle, was not dismissed on a previous occasion when his employer discovered his disobedience of that order does not constitute implied consent for the employee to use the vehicle for personal purposes so as to make the employer and his insurer liable, the Virginia supreme court of appeals has held in *Fidelity & Casualty vs. Harlow*.

Richard Harlow was injured in a collision with a tractor minus trailer that was being driven by Edward Swoope, while accompanied by a girl and another male friend. Harlow recovered a judgment of \$2,500 against Swoope and, being unable to collect, brought action against F. & C. as insurer of Tidewater Express Lines, Swoope's employer.

Swoope testified he had instructions never to detach the tractor from the trailer for personal use; that he had never been given permission by any official of the company to use the tractor for his personal use; that the local manager had specifically instructed him never to make personal use of the equipment and that when he took the tractor for personal use he attempted to conceal the fact from the local manager. The latter lived about three blocks from where Swoope lived and where he kept the tractor-trailer over week ends and on some nights.

The court said that after Swoope had made personal use of the tractor he should have been dismissed, but the local manager, upon notification to headquarters at Baltimore, was authorized to retain Swoope.

The lower court found there was an implied permission for Swoope to use the tractor personally and held F. & C. liable.

The higher court disagreed, saying there was uncontradicted evidence of two witnesses that Swoope was never given permission to use the tractor except on company business and had been given express instructions forbidding him to use it for his personal benefit and in case of violation of instructions he was told he would be summarily dismissed.

## Mill Heads Standard Club

The Ten-Year Club of Standard Accident at its annual meeting elected C. Clyde Mill, casualty underwriter, president. Helen G. Gardiner, assistant manager personnel department, was named 1st vice-president, and George S. Frank-

lin, assistant manager automobile department, 2nd vice-president. Ruth M. Wood, assistant supervisor risk experience department, is the new secretary.

## Santa Fe Self-Insured on Equipment in Wreck of Two Trains Near Chicago

Santa Fe Railroad, whose El Capitan and Kansas City Chief trains were involved in a wreck last week while both were heading toward Chicago on parallel tracks, has an excess liability policy with Lloyds, but is self-insured for the equipment.

The accident killed 10 persons and 46 were injured. It is believed to have been caused by a brake which fell off one of the cars.

Mendes & Mount, law firm of New York, is representing Lloyds.

## New Amsterdam Ups Berry

New Amsterdam has appointed N. Parker Berry manager of its Ohio department at Cleveland to fill the vacancy caused by the death of Charles L. Harris. He has been active in casualty and surety underwriting and production with the exception of service

in the navy. For the past few years Mr. Berry has been assistant to Mr. Harris.

## Insurers Sue on 1949 Cook Co. Assessments

Suits have been brought in circuit and superior courts of Cook county at Chicago for the fire companies by the law firm of McKinney & Carlson in connection with the assessment for net premium receipts taxes in Cook county for 1949. The assessments for 1946, 1947 and 1948 were disposed of earlier this year on terms mainly corresponding to the position of the companies. Somewhat different questions are involved in the 1949 assessment, but in general the companies insist that the assessment works an injustice on the insurers in comparison with other corporations under the personal property tax.

## Bonding Bill By Passed

WASHINGTON—Rep. Cunningham, Iowa, objected to consideration when the Karsten bill providing for government payment of premiums on its employees' surety bonds was reached on call of the House calendar. He said the

measure was too complicated for consideration by unanimous consent.

It was passed over without prejudice, thus retaining its place on the calendar, despite Karsten's plea in its support. It was announced he would seek a special rule giving the bill a green light.

If House-passed, Senator Hoey plans early consideration by his expenditures subcommittee.

## VA Hospital Award Bonded

Del E. Webb Construction Co. of Los Angeles and Phoenix, Ariz., has been awarded the contract for the construction of the St. Louis veterans administration hospital at \$6,940,000. Maryland Casualty, through its Los Angeles office, is executing the bond.

A. Reid Johnson, superintendent of agents of New Amsterdam Casualty, is making a middlewestern visit this week. He was in Chicago Monday and Tuesday conferring with Manager H. N. Douglass and is visiting Minneapolis and Milwaukee among other points.

The Dorland-McGill & O'Rear agency at La Porte, Ind., has been reorganized as O'Rear & Swanson. The principals are Robert O'Rear, Irvin Swanson and Mary E. Thomas.

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HAWKEYE-SECURITY-INDUSTRIAL offers every agent every conceivable help to aid him in building sales.

These three great companies give speedy, efficient service, pay claims promptly and provide the highest type of field representative to work closely with agents. Yes, you'll find HAWKEYE-SECURITY-INDUSTRIAL a fine combination to team up with.

**HAWKEYE CASUALTY CO.**  
**SECURITY FIRE INS. CO.**  
**INDUSTRIAL INS. CO.**

Des Moines, Iowa

HAWKEYE • SECURITY • INDUSTRIAL • THREE OF THE FINEST

## This Is the Time to Set Up Cover on Student Bodies

This is the time of year for producers to arrange with schools, academies, colleges, and universities for accident coverage on students. Each year more schools adopt such plans.

The plans vary from company to company, but in general they are similar. Most companies offer a plan which provides complete reimbursement for each accident, for medical, hospital, nurse, surgical, drug and dressing and x-ray with no deductible up to about

\$500. Such complete plans cover students 24 hours a day, regardless of whether they are at school or at home. Generally, such complete plans do not carry any limitations on types of accidents.

It is a simple operation for the producer to arrange coverage through the school. There are two plans available to the school. It can install such coverage on a blanket basis, insuring the entire student enrollment or the students can be insured on an optional basis.

When the plan is on the blanket basis, the premium is included in the tuition or it is paid by the school. Athletic team personnel are insured unconditionally.

When the accident plan is offered on

an optional basis, it is generally required that the premiums be paid individually by the students or their parents. The same solicitation methods are used for all classes of students. On the optional basis, a reasonable percentage of the students enrolled must participate in the plan, the percentage depending upon the size of the student body.

One of the most successful methods of obtaining this required percentage is for the producer to mail to the parents of the students a letter explaining the coverage and enclosing a short application form.

Student accident coverage may generally be written either on a school year basis or it may be written on a calendar year basis for higher premiums.

Of course, where the necessary student participation cannot be obtained, or where schools will not cooperate, there are numerous individual accident policies providing medical reimbursement for students. There is bound to be a market for both individual policies and for the group coverage among students.

### Surety Loses on Appeal

ST. LOUIS — A judgment against Massachusetts Bonding for \$44,617 in favor of three men who incurred losses in a business transaction was upheld by U. S. court of appeals here.

The plaintiffs were W. F. Feutz, of St. Louis county, and J. C. Mundy and W. R. Courtney of Mexico, Mo. They presented testimony to show that they had put up \$40,000 with Harry J. Murphy of Tarkio, Mo., in a deal involving the sale of farm combines. Murphy posted the bond to protect their investments. Subsequently Murphy went bankrupt and was indicted at Kansas City on 83 counts charging alleged violations of the federal mail fraud and stolen property acts. He also was accused of receiving money from farmers in six states on his promise to deliver combines at a time when such equip-

ment was difficult to get, and failing to deliver them.

In its decision against the bonding company the court of appeals stated that the "questions presented to this court on appeal could scarcely be said to be debatable." It added that "the appeal may be attributed to the zeal of the counsel, but the plaintiffs should not be required to bear the expense resulting from the excessive zeal of opposing counsel."

### Gift for Corell

LANSING—Members of the Michigan department staff presented a picnic lunch to Mr. and Mrs. Horace B. Corell at a farewell luncheon given for the retiring first deputy of the department. L. H. Sanford, second deputy, served as master of ceremonies at a brief speaking program. L. M. Moore of the fire division made the presentation and other speakers were Miss Antonia Stafaneck, secretary to Commissioner Forbes and Mr. Corell, Herbert Thompson, head of the life division. Some 50 employees attended.

Phil G. Spexarth, formerly manager of the aviation department of Hansen & Rowland at the head office at Tacoma has been transferred to Portland, as branch manager succeeding E. A. Wride, resigned.

Ernest Fields, vice-president and general counsel of U. S. Guarantee, addressed a meeting of Surety Claim Men's Forum of New York on "Federal Tax Liens on State Jobs."

Modern Life & Accident of Chicago showed a net gain of 33% of total business for the first five months of 1950 as compared to the first five months last year. Business was 65% hospitalization and 35% A. & H.



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## CHANGES IN CASUALTY FIELD

### Stofft Retires, Murphy Ocean Agency Head

Arthur H. Stofft is retiring as superintendent of agencies of Ocean Accident and Columbia Casualty, effective Aug. 1 and his duties will be taken over by Daniel W. Murphy with the title of manager, agency department.

Mr. Stofft has been with these companies more than 27 years as a manager in the field and in the head office agency department as associate superintendent and then superintendent since 1932.

Mr. Murphy has been with Ocean-Columbia since 1920. Most of his work has been in the burglary and glass department of which he has been manager since 1945. During the past year he has been acting as assistant to Mr. Stofft.

George J. Kley is the new manager of the burglary and glass department. He joined Ocean in that department in 1942 and lately has been chief burglary underwriter.

Mr. Stofft plans to make his permanent home at Minneapolis. This winter the Stoffts expect to go to California. Their son, William R. Stofft, is now living at Glendale, Cal., and is associated with Occidental Life.

Mr. Stofft spent several years with the traffic department of the Burlington Railroad before becoming associated with the Travelers. He served as a special agent and assistant manager at Chicago of Travelers; following that he was manager for the same company at Minneapolis, and later was associate manager at Philadelphia. In 1922 he returned to Minneapolis and operated what was known as the Stofft-Corell agency a short time until he became associated with Ocean and Columbia as manager at Minneapolis.

### American Surety Names Three New Special Agents

Three new special agents have been appointed by American Surety. C. Donn Ainslie becomes a special agent at Rochester, John McGreen at Albany and Eugene L. Newman at Memphis.

Mr. Ainslie, who joined American Surety at Newark in 1949, has completed a 10-month training program at the home office. A graduate of Lehigh, he served in the army during the war.

Mr. McGreen, a graduate of Rhode Island State College, started in 1949 as a student in the personnel training program. He served in the army for three years.

Mr. Newman attended Texas Christian University and served with the navy. He joined the company at Memphis in 1946 in loss prevention and payroll auditing.

### New Amsterdam Adds to Its Ill. Field Staff

New Amsterdam Casualty has increased its Illinois field force by adding a special agent in the person of Raymond L. Miller. He will work with William R. Purtell, Illinois field supervisor, in central and northern Illinois.

Mr. Miller is a graduate of University of Nebraska and is a navy veteran. For the past several years he has been with the Kemper organization, most recently covering the Kansas field.

### F. R. Robinson in New Post

LOS ANGELES — F. R. Robinson has been appointed manager of the southern California office of Rathbone, King & Seeley. He started in 1921 as a mechanical engineer with Globe Indemnity, following his graduation from M.I.T. He joined Wheeler Brothers &

Pierce here in 1923, and became vice-president and general manager in 1926. He became Los Angeles manager of Massachusetts Bonding in 1941, resigning last February.

### New American Casualty Office at Orlando, Fla.

American Casualty has opened a new branch office at Orlando, Fla., at 407 Metcalf building. Resident manager is Paul Gartside who has been field representative in Florida. He will be assisted by Robert Voyles, who has been transferred from Atlanta to take charge of underwriting in Orlando. Robert R. Koch is claims manager.

### R. E. Gregory Is Promoted

Ralph E. Gregory has been appointed director of fiscal reports and procedures department of Farm Bureau insurance companies of Columbus. For the past five years he has been in charge of audits of the companies' accounts made by Barrow, Wade, Guthrie & Co. Pre-

viously for five years he was with that auditing firm and at one time was with Emmco.

### Macy So. Cal. Supervisor

W. S. Macy has been appointed agency supervisor for southern California by New Amsterdam Casualty, with headquarters at Los Angeles. He has been with the company for eight years at St. Louis.

### Opens Baltimore Office

Mutual Boiler has opened a new office at Baltimore at 2322 North Charles street, with W. J. Withers as resident inspector and Edward Daughtry, formerly inspection engineer at Toronto, on the staff.

### Berrah N. E. Sales Manager

Philip Berrah has been appointed sales manager of the New England area for Allstate. He will make his headquarters at Manchester.

### Ahearn Albany Manager

Maurice F. Ahearn, assistant manager at Albany for Preferred Accident, has been promoted to manager. Mr. Ahearn has been with the company for 3½

years, having started at Boston and later becoming underwriter at Albany.

### Texas Employers Changes

Texas Employers has named Clifford Fowler sales manager at Houston. E. J. Cleveland, who has been district underwriter at San Antonio, will succeed Mr. Fowler as sales representative at Midland.

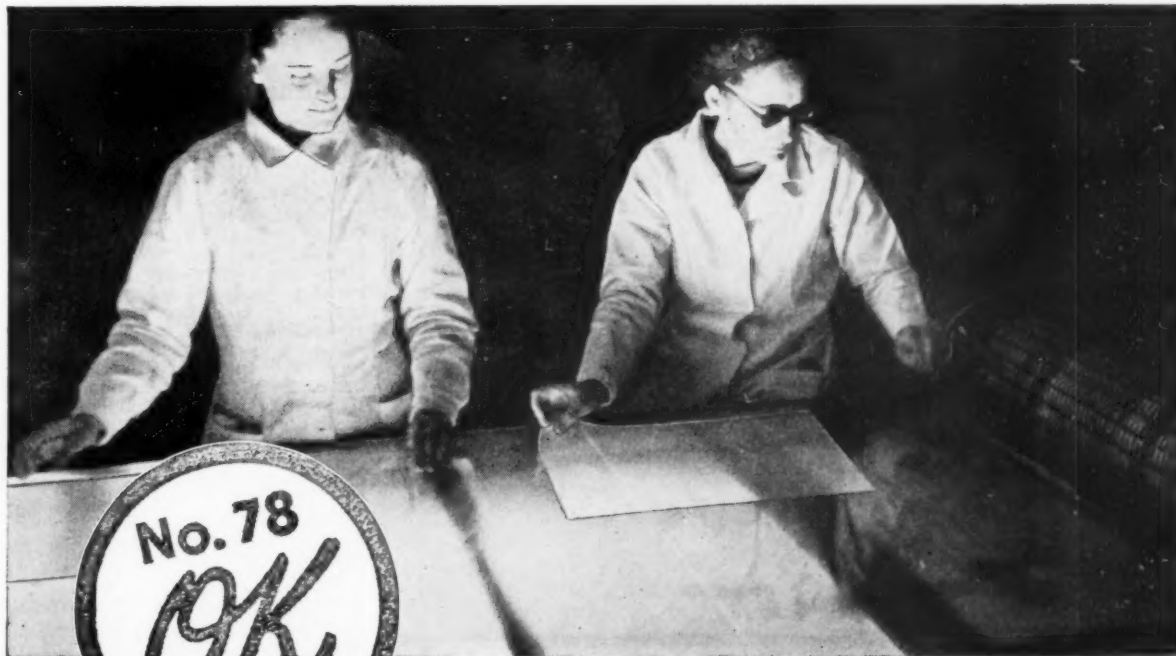
John Cope, underwriter at Houston is being transferred to the sales department, and Lou Guthrie, Jr., who has been underwriter at Midland has been transferred to Ft. Worth in the sales department.

### R. W. Moree Is Promoted

Robert W. Moree has been promoted to supervisor of agents for Merchants Mutual Casualty in states other than New England. He has been with this company 20 years.

### Panella Rejoins General

Antony B. Panella, formerly with the Seattle surety department of United Pacific, has returned to his former position as manager of the surety department of General Casualty of Seattle.



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## ACCIDENT

### Muddle in Cal. on New Minimum Benefits Law

The failure of Commissioner Downey of California to promulgate the regulations implementing the new minimum benefits law for A. & H. insurance in that state prior to July 1, when the law was to go into effect, has created a somewhat muddled situation there.

It is the result of a deadlock between the company committee and insurance department representatives over the scope of the "economic value" provision of the law. The company men insist that it is limited to setting up minimum benefits, either as to amounts or periods of payment. The department people claim the right to include limitations and exclusions but the company group refuses steadfastly to propose or approve any provisions along that line.

New policy forms to comply with this law are required to be filed in California by Jan. 1 but nothing can be done about it until the regulations, which will contain the real meat of the law, are issued. Some companies already have obtained an extension of time until September and it is presumed that nothing will be done in regard to enforcing new filings until the situation is straightened out.

### Program Features of A. & H. Bureau Meeting Outlined

The program for the Bureau of A. & H. Underwriters annual meeting at Skytop Club, Skytop, Pa., Sept. 25-27, will include an address by an outstanding insurance commissioner; speakers presenting both the field and claim man's viewpoint of A. & H. insurance, and an insurance company counsel speaking on beneficiary rights, assignment and policy ownership. There will be a discussion of the new regulatory requirements in California under Senate Bill 711 and a review of special types of coverage such as polio, sports, medical expense, and student insurance.

The underwriting forum, a valuable source of information and discussion in past years, will be under the direction of F. T. Corby, Home Indemnity. Ray L. Hills, Great American Indemnity, is chairman of the annual meeting committee.

### Knock Out S. D. Referendum

SIOUX FALLS, S. D.—Petitions calling for a referendum on the 1949 assessment insurance law have been held invalid by the circuit court here, so that there will be no vote on the law this year. It sets up additional requirements for assessment insurers. After its passage petitions were circulated and more than 18,000 signatures obtained.

Gust Helgerson, Mitchell agent, attacked the petitions, claiming that many of the signatures were invalid and Judge Rice rejected more than 6,000 of them as improper. Defendants were State Benefit Society, Northwest Life Assn. and State Accident Assn., all of Brookings; Black Hills Benefit Life, Rapid City, and Life Benefit, Inc., Huron.

### Garside Now President

Associated Hospital Service, New York's Blue Cross plan, has elected Charles Garside president. Louis H. Pink, who has been president and chairman, will remain as chairman and chief executive officer. Mr. Garside has been a member of the board since 1949.

Mr. Garside, a lawyer, was chairman of the New York state commission against discrimination 1947-1949. He was a justice of the New York City municipal court in 1934 and 1935.

The J. W. Krauth agency, Hamilton, O., has been sold to the Seward-Taylor agency.

## COMPENSATION

### Neb. W. C. Rates Reduced 12.7%

Director Stone of Nebraska has approved an average decrease of 12.7% in workmen's compensation rates, effective Sept. 1 for new and renewal business only. The decrease will result in a \$700,000 premium savings to employers.

Mr. Stone points out that a substantial part of the change in rates is due to a reduction in accident frequency. He added that the new rates make workmen's compensation costs 21% lower on the average than five years ago and 48% lower than 10 years ago, while at the same time the scale of benefits has been legislatively increased almost 50% during the past five years.

The new rates apply to all members and subscribers of National Council of Compensation Insurance. Similar reductions are being approved for independent companies.

### Compensation Rate Cut of 6.2% Approved in Iowa

DES MOINES — Commissioner Alexander has approved an average 6.2% reduction in workmen's compensation rates effective July 4.

Mr. Alexander turned down a petition of Iowa Manufacturers Assn. for a more drastic cut. The manufacturers contended that as a result of wage increases they have been making greater payments but the exposure of employees to danger has not been correspondingly increased. Mr. Alexander pointed out, however, that costs of medical care and hospitalization have soared with wages. Companies are given permission to petition for a rehearing where special hardship would result from the change.

## COMPANIES

### To Dissolve Reciprocal

LANSING—Dissolution papers have been filed with the Michigan corporation and securities commission for Professional Underwriters Corp., attorney-in-fact for Professional Underwriters of Grand Rapids.

This reciprocal for years specialized in writing beauty shop liability coverage but later extended its operations to include other professional liability contracts, and auto physical damage insurance. As of Dec. 31, 1949, assets were \$122,596 and surplus \$42,781. President of the attorney-in-fact was H. A. Brink; vice-president, E. H. Brink, who is also executive secretary of Preferred of Grand Rapids; secretary, S. R. Bidwell.

### Pays Dividend in 2nd Year

Universal Mutual Casualty of Chicago, which commenced business Feb. 1, 1949, has declared its first dividend to policyholders. Roger McCormick, president, believing that Universal Mutual may be the first, has corresponded with various insurance statistical organizations to determine if any other mutuals have paid a dividend in their first or second year.

Clyde E. Dalrymple, general agent at Milwaukee for Preferred Accident and former president of International Assn. of A. & H. Underwriters, sank a hole-in-one on the 119-yard eighth green at the Lake Lawn golf course, Lake Delavan, Wis., July 4. Mr. Dalrymple, who is a firm believer in the insurance business, collected under his Lloyd's "100 to 1—Hole-in-One" golf policy which pays \$400 for a \$4 premium. This is the first payment of its kind to a Milwaukeean playing a Wisconsin golf course.



## Stichter Heads Bar Group

(CONTINUED FROM PAGE 23)

avoids DOC coverage as regards any accident which arises out of the operation of an automobile repair shop, public garage, sales agency, service station, or public parking place. This, because the underwriters contemplated that such businesses should buy their own specialized form of insurance and pay the proper premium for it.

Many difficult factual situations confront the insurers under this exclusion. The difficulty is the many borderline situations, wherein it is questionable whether the accident "arises out of the operation of" the particular business. Certainly, he said, if, while driving a borrowed automobile a person is involved in a collision caused by the negligent operation of another automobile by the employee of an automobile repair shop, while the auto is being road-tested, the first person should be protected under the DOC coverage of his policy. Yet, apparently, on the face of the exclusion, he would not be protected unless it could be said that such accidents did not arise out of the operation of the auto repair shop.

### Medical Payments

The fourth exclusionary paragraph provides that the medical payments coverage will not apply to such other automobiles (1) unless the injury results from its operation by the named insured or spouse or by the chauffeur or domestic servant on behalf of either the named insured or spouse or (2) unless the injury results from the occupation of such automobile by the named insured or spouse. Inasmuch as the injury to occupants of automobiles most usually results in the operation of the automobile, almost all injuries occurring while the named insured, spouse, chauffeur or servant are operating the automobile, are covered. Furthermore, the named insured and his spouse are almost always covered because almost always their injuries can be said to result from the occupation of the automobile. He said that the occupants of the DOC automobile, operated by the named insured, would not be covered if the falling of a building cornice caused injury to them because the injuries did not arise out of the operation of the automobile by the named insured. Likewise, if an occupant is struck by a stray bullet or other missiles. This legal effect seems a proper result because the coverage is automobile medical payments. The "other insurance" condition of the policy makes the DOC coverage excess insurance over any other valid and collectible insurance available. Therefore, if the "other insurance" is also afforded by a standard policy, the insurance afforded with respect to the automobile described in that policy, is the sole primary insurance.

### Another Paper Reviewed

Clinton M. Horn of the Cleveland law firm of McKeehan, Merrick, Arter & Stewart presented a paper on "Disclaimer, Reservations and Non-Waiver Agreements." He reviewed decisions on these matters that have been given during the past decade. He concluded that notwithstanding the liberalization of policy provisions in favor of the insured and the coming into general use of the comprehensive form of policy, questions of coverage do still arise and call for action on the part of the insurer. Such action must be taken promptly in fairness and in good faith, toward the insured and recognition given to the fact that in cases of disputed coverage a conflict of interest arises and a situation may develop requiring the insurance company to surrender and give up its complete exclusive control over the litigation and share that control with the insured. Here the trend of the court seems to be definitely in favor of the insured, sometimes even to the point of injustice to the company which issued the policy.

## Auto Policy Departures

(CONTINUED FROM PAGE 24)

rented cars, or cars furnished to the named insured for regular use, or in any event while the owner of the car is riding in the vehicle.

Some of the companies have had this coverage available by way of endorsement at an extra premium, but Anchor Casualty is including the protection at no extra charge.

Another liberalizing feature provides that the \$50 deductible in the collision coverage is applicable only to the first loss. Thereafter the insured has full cover collision protection.

The policy in the third party section provides for liability on the "occurrence" rather than "accident" basis.

The property damage liability covers claims for damage to property other than an automobile that is rented to the insured.

### Medical Payments Provision

The medical payments feature provides coverage for all persons except employees of the insured that are under workmen's compensation and dental expense is covered.

Any type trailer is covered and newly acquired automobiles are covered for the full policy period.

It is no longer required to reimburse the company for payment of losses because of any financial responsibility law.

In the third party liability section the use of other auto is extended to cover hired autos, autos furnished to the insured or his family for regular use, pick-up or panel delivery trucks.

Anchor Casualty is allowing credit for existing insurance without short rate penalty when it goes on a risk.

## N. J. Wells to Anchor as Underwriting Manager

Neil J. Wells will become associated with the Anchor Casualty and Queen City Fire as underwriting manager of



NEIL J. WELLS

fire and marine. He is a graduate of University of North Dakota and since 1938 he has been engaged in the fire insurance business except for four years' service in the armed forces.

Retail Credit Co. has opened a new office at Cheyenne, Wyo., which will service Wyoming, northeastern Colorado and western Nebraska. Another new branch has been opened at Sudbury, Ont. It will service northeastern Ontario and northwestern Quebec.

John T. Stickney, formerly superintendent of passenger service of Eastern Air Lines, has been elected vice-president of the H. W. Guitner agency, Columbus, O.



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# 1949 Auto B.I. and P.D. Experience Analyzed

## Automobile Bodily Injury Liability Aggregates

The New York department has released its analysis of 1949 automobile bodily injury liability and property damage liability experience. The 1949 experience is shown by individual company for bodily injury liability only, and the B.I. and property damage figures are given also in aggregate for the period from 1945-9.

The tables show countrywide earned premiums and incurred losses on a net premium basis after reinsurance. Incurred losses are based on case estimate reserves and exclude allocated claim expenses.

These tables include figures of both casualty and fire companies writing automobile liability. The columnar arrangement of expense groups has been changed to conform with the revised form of the 1949 insurance expense exhibit.

Because of fluctuations in premium volume from year to year, expense ratios have been adjusted so as to relate certain types of expense to written premiums in order to present more accurate results. Expense ratios do not include federal income taxes.

For the stock companies automobile B.I. earned premiums increased \$57 million from \$416,951,566 to \$473,938,918, and the loss ratio on an incurred-earned basis dropped for the fourth straight year and now is 48.3. Last year it was 53.0. The expense ratio declined from 44.4 to 44.1, while the underwriting gain increased 3.6 to 7.6.

Mutual companies had earned premiums of \$113,354,455 and a .6 increase in the loss ratio. The expense ratio was 33.6, down .6 and the underwriting gain was the same, 14.3.

The reinsurance companies earned premiums were \$25,086,904, the loss ratio 73.3, and the underwriting gain -17.7. Overall, the auto B.I. earned premiums were \$612,380,277.

### Files Supreme Court Brief in PL 15 Test from Ark.

North Little Rock Transportation Co. has filed a brief in its petition to the U. S. Supreme Court to review and reverse the decision of the U. S. 8th Circuit Court of Appeals which upheld the validity of the Arkansas casualty rate regulation act. The case was brought against National Bureau of Casualty Underwriters, Casualty Reciprocal Exchange and the members and subscribers of National Bureau.

According to the brief, the questions

Year or Company (Stock Companies)	Countrywide									
	Net Premiums written	Net Premiums earned	Losses incurred to earned	Exp. (adj.)†	Net gain (adj.)†	Claim exp. to earned	Comm. to written	Other acq. to earned	Gen. exp. to earned	Taxes & fees to written
1945	\$212,386,903	\$200,161,551	56.4	47.2	-3.6	10.4	24.9*	—	9.0	2.9
1946	293,079,487	261,328,308	64.4	47.8	-12.2	11.2	24.5*	—	9.2	2.9
1947	383,593,966	347,455,921	55.4	45.8	-1.2	9.9	24.3*	—	8.6	3.0
1948	445,872,197	416,951,566	52.0	44.4	3.6	9.6	23.6*	—	8.1	3.1
1949	494,144,862	473,938,918	48.3	44.1	7.6	9.8	19.4	5.8	5.8	3.3
(Mutual Companies)										
1945	50,177,952	47,340,484	50.4	34.8	14.9	10.4	13.9*	—	8.2	2.3
1946	66,344,453	60,670,444	56.8	34.8	8.4	10.3	13.9*	—	8.4	2.2
1947	88,076,261	81,511,357	56.4	34.0	9.6	9.4	13.8*	—	8.1	2.7
1948	106,430,684	100,929,855	51.5	34.2	14.3	9.6	13.9*	—	8.0	2.7
1949	118,342,116	113,354,455	52.1	33.6	14.3	9.8	7.0	9.1	4.9	2.8
(Reinsurance Companies)										
1945	10,395,684	9,788,154	59.1	49.9	-9.0	5.4	38.8*	—	4.2	1.5
1946	17,113,248	13,889,479	67.6	48.1	-15.7	4.7	38.2*	—	4.0	1.2
1947	22,358,703	20,285,044	71.8	47.0	-18.8	4.4	38.6*	—	3.1	.9
1948	28,115,082	29,661,934	76.4	44.7	-21.1	4.4	37.2*	—	2.2	.9
1949	25,919,990	25,086,904	73.3	44.4	-17.7	4.6	36.5	1.2	1.4	.7

## Automobile Property Damage Liability Aggregates

Year or Company (Stock Companies)	Country-wide									
	Net premiums written	Net premiums earned	Losses incurred to earned	Exp. (adj.)†	Net gain (adj.)†	Claim exp. to earned	Comm. to written	Other acq. to earned	Gen. exp. to earned	Taxes & fees to written
1945	\$76,381,781	\$72,222,206	73.5	53.1	-26.6	14.8	26.6*	—	8.9	2.8
1946	110,416,731	95,133,014	80.6	54.7	-35.3	16.1	26.3*	—	9.6	2.7
1947	167,668,711	143,129,054	67.9	50.7	-18.6	13.0	26.1*	—	8.9	2.7
1948	209,340,563	191,744,709	59.0	48.1	-7.1	11.5	25.6*	—	8.1	2.9
1949	240,302,189	229,097,302	51.7	48.3	—	12.0	21.1	6.2	6.0	3.0
(Mutual Companies)										
1945	18,051,395	17,102,671	67.0	38.3	-5.3	13.7	14.3*	—	8.1	2.2
1946	25,469,610	22,722,453	72.4	41.5	-13.9	15.4	14.7*	—	9.4	2.0
1947	38,331,620	34,226,223	62.8	39.0	-1.8	13.1	14.7*	—	8.8	2.4
1948	49,166,926	45,974,080	59.4	37.9	2.7	12.5	14.7*	—	8.3	2.4
1949	59,150,403	56,353,740	54.6	39.0	6.4	13.4	7.5	10.1	5.5	2.5
(Reinsurance Companies)										
1945	1,503,999	1,332,742	46.0	51.2	2.8	6.2	41.2*	—	3.0	.8
1946	2,913,092	2,140,892	50.4	49.7	-1	6.1	40.5*	—	2.6	.5
1947	3,219,794	3,340,412	43.3	49.3	7.4	5.1	40.6*	—	2.7	.9
1948	3,910,773	4,158,907	33.5	45.0	21.5	4.3	37.4*	—	2.1	.7
1949	4,346,883	4,098,989	23.9	50.9	25.2	3.4	45.0	.9	1.3	.3

† These ratios show results before consideration of Federal income tax.

\* Includes other acquisition expense.

presented are whether Congress may, except under the war powers, suspend a general law for a period of time as the McCarran act (public law 15) pur-

ports to suspend the Sherman and Clayton acts; also whether Congress may delegate to individual states power to legislate in the regulation of the in-

urance business, transactions within the commerce clause of the federal constitution with reference to which Congress has already acted which is the intent and effect of the McCarran act; again, whether in the event the McCarran act is valid, the Arkansas rate regulation law is proper regulation within the McCarran act.

Also, whether the Arkansas rating law violates the provision of the Arkansas constitution prohibiting "perpetuities and monopolies," and whether it is contrary to the anti-trust laws of Arkansas and finally whether the conduct of the insurance companies violates the Sherman act.

The brief states that whether the McCarran act is valid is of great importance to the business world generally and in the uncertainty and doubt which must exist until the court has decided the point, there is imperative need of an authoritative and elucidating decision.

The brief insists that the Supreme Court has not, under facts as presented in this case, passed upon the validity of the McCarran act.

### R. L. Flath Named V.P.

R. L. Flath has been elected vice-president of Automobile Dealers Mutual of Kansas City.

Before joining Automobile Dealers in 1946 Mr. Flath was with Employers Mutuals of Wisconsin for 13 years, the last six as claims manager at New York. Mr. Flath was named general manager of Automobile Dealers in 1949.

*The*

# NATIONAL MUTUAL

INSURANCE COMPANY

*Celina, Ohio*

Strictly an Agency Company

FOR

## ACTION

THAT BRINGS

## SATISFACTION

*A Progressive Company  
for Aggressive Agents*

**FIRE; INLAND MARINE  
ALLIED LINES**

**AFILIATED  
WITH**

**The  
CELINA MUTUAL  
CASUALTY COMPANY**

*Celina, Ohio  
Automobile and  
Casualty Lines*

*Selling Tools for Any  
Selling Task*

**With sound Protection  
at a  
Savings to Policyholders**



## Automobile Bodily Injury Liability 1949

### Stock Companies

	Countrywide									
	Underwriting		Ratios		Expenses Analysis		Taxes & fees to			
	Net Premiums written	Net Premiums earned	Losses incurred to earned	Exp. (adj.)†	Net gain (adj.)†	Claim exp. to earned	Comm. to written	Other acq. to earned	Gen. exp. to earned	Taxes & fees to written
Acci. & Casualty, N. Y. C.	\$2,275,025	\$2,117,760	48.1	48.5	3.4	11.6	21.8	3.9	7.7	3.5
Aetna Cas. & S. Hartford	25,500,127	24,512,839	45.8	48.2	6.0	9.9	19.8	9.7	5.2	3.6
Alliance Assur. Co., Ltd.—	173,702	176,287	53.4	39.3	7.3	4.3	23.7	2.8	5.6	2.9
Allstate	21,161,128	19,044,835	37.4	41.4	21.2	12.7	3	18.9	7.0	2.5
Amer. Auto of St. Louis—	16,467,322	16,069,107	46.8	44.5	8.7	8.8	24.2	5.4	3.4	2.7
Amer. Casualty of Reading	3,414,251	2,769,813	44.5	62.6	—7.1	23.5	14.1	10.9	9.4	4.7
Amer. Employers, Boston—	4,516,311	4,501,554	46.6	47.6	5.8	9.3	22.5	4.1	9.1	2.6
Amer. Fidelity & Casualty	10,903,518	10,669,580	61.1	33.6	5.3	9.2	14.9	1	6.8	2.6
Amer. Fidelity Fire—	141,813	124,128	15.4	37.1	47.5	12.0	15.4	—	7.1	2.6
Amer. Guarantee & Liab.—	1,757,693	1,423,642	41.0	37.6	21.4	6.8	24.6	1.7	8	3.7
Amer. Motorists, Chicago—	6,767,437	6,241,038	47.9	37.5	14.6	8.4	14.7	7.1	3.7	3.6
Amer. Policyholders —	683,320	695,245	52.3	11.6	36.1	26.8	—59.6	20.0	16.5	7.9
Amer. Surety —	7,717,781	7,929,204	64.7	45.7	—10.4	8.9	20.2	6.1	6.5	4.0
Arex Indemnity —	121,350	106,406	34.4	56.5	9.1	11.8	17.1	7.7	16.4	3.5
Associated Indemnity —	198,314	176,123	43.8	52.4	3.8	12.9	18.4	7.2	9.4	4.5
Bankers Ind., Newark—	3,805,781	4,029,412	39.9	52.5	7.6	14.4	22.7	4.8	7.9	2.7
Car & General —	1,409,129	1,394,197	39.2	50.0	10.8	9.6	23.9	3.7	9.7	3.1
Centennial Ins. —	31,144	26,623	238.1	86.8	—224.9	30.5	14.4	16.8	17.2	7.9
Central Surety —	4,273,869	4,221,575	56.9	40.3	2.8	13.5	17.5	1.3	5.1	2.9
Century Ind. —	8,121,107	7,834,020	52.0	49.8	1.2	9.4	21.7	6.3	6.2	3.2
Citizens Casualty —	1,445,280	1,435,291	46.1	43.5	10.4	15.5	18.6	3.7	3.4	2.3
Columbia Casualty —	1,562,426	1,650,565	35.6	50.6	13.8	12.5	26.2	3.7	5.0	3.2
Commercial Casualty —	8,489,383	8,192,700	50.0	46.8	3.2	11.7	22.6	5.4	3.9	3.2
Connecticut Indemnity —	2,072,199	2,014,900	41.0	45.2	13.8	9.4	21.2	5.3	6.1	3.2
Continental Casualty —	10,939,496	10,870,816	47.6	44.7	7.7	9.1	22.6	3.4	6.4	3.2
Eagle Indemnity —	1,747,430	1,664,790	45.6	42.4	12.0	8.7	19.1	5.2	5.9	3.5
Employers Liability —	9,927,101	9,897,891	46.8	46.2	7.0	9.1	20.8	4.1	9.0	3.2
Federal Ins. —	1,736,845	1,242,686	52.0	39.2	8.8	5.9	23.4	2.4	4.8	2.7
Fidelity & Casualty —	21,643,048	20,893,517	48.6	44.6	6.8	9.2	19.2	7.4	5.2	3.6
Fireman's Fund Indemnity	8,959,721	8,710,094	49.1	46.1	4.8	9.8	21.7	4.7	6.5	3.4
Fireman's Fund Insurance	1,255,979	1,286,328	55.1	46.6	—1.7	11.6	18.6	9.0	5.3	2.1
General Acc., F. & L.—	14,313,278	13,855,005	44.3	44.4	11.3	9.7	22.8	3.5	5.1	3.3
General Casualty —	7,135,823	6,846,441	38.3	47.0	14.7	6.8	26.7	4.3	6.5	2.7
General Transportation —	3,972,108	3,833,323	54.8	20.8	24.4	9.4	4.9	1.4	2.2	2.9
Glens Falls Indemnity —	5,768,516	5,196,872	44.9	48.7	6.4	10.3	22.2	6.8	5.5	3.9
Globe Indemnity —	10,484,580	9,988,682	45.7	42.4	11.9	8.7	19.1	5.2	5.9	3.5
Great American Indemnity	9,979,348	9,569,597	49.2	46.4	4.4	9.9	20.4	6.7	5.7	3.7
Hardware Indemnity —	1,974,239	1,879,621	41.5	34.9	23.6	9.9	—4.2	18.7	7.4	3.1
Hartford Acc. & Ind.—	35,512,432	33,360,551	46.0	42.7	11.3	9.1	20.2	3.5	6.8	3.1
Home F. & M. —	235,492	241,186	55.1	46.5	—1.6	11.6	18.6	9.0	5.3	2.0
Home Indemnity —	6,646,036	5,985,967	38.0	53.6	8.4	11.1	21.5	8.2	9.2	3.6
Indemnity of N. A. —	11,155,917	11,082,934	45.5	48.8	5.7	10.3	19.1	7.5	8.9	3.0
Industrial Ins. —	748,723	948,577	44.7	60.6	—5.3	3.2	56.1	1.3	—	—
Insurance Co. of N. A. —	161,525	127,082	42.2	44.4	13.4	6	23.5	17.5	6	2.2
London Guar. & Acc. —	2,903,728	2,537,095	55.7	55.8	—11.5	18.5	20.1	3.9	9.3	4.0
London & Lanc. Indemnity	2,652,531	2,535,531	50.0	44.4	5.6	6.6	22.6	4.4	7.6	3.2
Manhattan Casualty —	1,662,026	1,660,516	63.8	45.8	—9.6	24.0	9.6	6.6	2.9	2.7
Manufacturers Casualty —	3,217,632	3,062,680	48.3	49.6	2.1	8.4	23.4	9.1	5.3	3.4
Marine Ins. —	173,702	176,287	53.4	39.1	7.5	3.9	23.7	2.9	5.7	2.9
Maryland Casualty —	14,780,846	14,022,047	54.1	44.9	1.0	10.1	22.0	6.1	3.4	3.3
Massachusetts Bonding —	8,392,146	8,113,797	52.4	43.9	3.7	9.8	18.7	4.8	7.1	3.5
Merchants Indemnity —	1,637,404	1,539,566	36.5	44.1	19.4	9.2	25.8	2.6	4.2	2.3
Metropolitan Casualty —	8,332,563	8,465,323	55.4	47.6	—3.0	12.4	22.1	5.4	4.3	3.4
National Casualty —	645,720	659,868	43.5	48.2	8.3	11.9	24.4	1.8	6.5	3.6
National Surety Corp. —	1,885,061	1,727,780	52.0	66.4	—18.4	13.5	23.5	8.4	18.1	2.9
New Amsterdam Casualty	9,574,686	9,432,337	44.3	46.9	8.8	10.8	22.0	6.5	3.8	3.8
New England Casualty —	1,063,091	1,041,026	67.4	41.1	—8.5	7.7	20.0	3.6	5.0	4.8
New Jersey Mfrs. —	1,115,475	1,058,160	25.2	30.6	44.2	11.0	—3	9.6	10.1	2
New York Casualty —	2,395,173	2,460,788	64.7	45.7	—10.4	8.9	20.2	6.1	6.5	4.0
New Zealand Ins. —	62,273	27,005	74.6	43.2	—17.8	4.9	19.0	6.3	10.9	2.1
Norwich Union Indemnity	460,643	483,112	29.9	47.7	22.4	10.5	19.7	7.9	6.5	3.1
Ocean Acc. & Guar. —	2,670,825	2,820,653	33.8	45.4	20.8	10.3	23.6	3.8	4.8	2.9
Peerless Casualty —	1,675,110	1,576,790	51.7	34.8	13.5	4.5	21.7	4.4	1.8	2.4
Phoenix Indemnity —	2,522,159	2,233,181	42.9	54.4	2.7	16.5	18.5	5.4	9.9	4.1
Preferred Accident —	3,835,263	4,105,151	45.6	52.2	2.2	14.0	25.5	3.3	5.8	3.6
Royal Indemnity —	9,610,885	9,156,292	45.6	42.4	12.0	8.7	19.1	5.2	5.9	3.5
St. Paul-Mercury Ind. —	8,848,698	8,656,291	47.8	46.1	6.1	8.8	24.6	4.7	5.4	2.6
Sea Ins. —	86,851	88,144	53.4	39.4	7.2	4.4	23.7	2.8	5.6	2.9
Seaboard Surety —	90,575	87,146	46.6	45.3	8.1	5.1	30.9	1.8	4.6	2.9
Standard Accident, Detroit	11,579,841	10,492,127	37.0	50.1	12.9	13.8	22.4	3.8	6.7	3.4
Sun Indemnity —	1,936,815	1,911,332	56.2	53.3	—9.5	18.8	15.9	2.6	9.1	6.9
Surety Fire —	532,261	546,842	64.7	39.2	—3.9	8.9	13.7	6.1	6.5	4.0
Travelers Insurance —	39,197,409	37,263,564	50.8	38.7	10.5	7.2	17.4	5.4	5.3	3.4
Travelers Indemnity —	6,040,981	5,599,456	53.3	38.7	8.0	7.0	18.8	5.6	5.1	2.2
United National Indemnity	2,380,169	2,179,113	41.8	46.8	11.4	11.2	22.2	5.2	5.6	2.6
U. S. Casualty —	5,346,574	5,285,958	44.3	46.4	9.3	10.6	21.4	3.0	8.1	3.3
U. S. Fidelity & Guaranty	27,019,318	25,597,497	58.3	37.0	4.7	6.3	20.8	3.7	2.7	3.5
U. S. Guarantee —	1,251,606	1,257,447	35.9	50.3	13.8	15.4	21.0	8.9	1.5	3.5
Universal Indemnity —	277,187	262,143	36.8	53.9	9.3	11.0	36.8	1.1	2.2	2.8
Vigilant Ins. —	154,606	155,336	52.1	39.1	8.8	5.0	23.4	2.6	5.3	2.8
Western National Ins.—	78,497	80,395	55.1	46.6	—1.7	11.6	18.6	9.0	5.3	2.1
Yorkshire Indemnity —	952,533	939,926	49.4	49.7	9	11.8	23.1	4.6	6.7	3.5
Zurich General Accident—	10,343,993	9,801,332	51.6	43.3	5.1	10.7	20.7	1.9	6.9	3.1
Totals	\$494,144,862	\$473,938,918	48.3	44.1	7.6	9.8	19.4	5.8	5.8	3.3

### Organize Industrial Plants

A meeting will be held at Louisville Aug. 15 to form an industrial fire fighters organization. All industrial plants

in Kentucky will be eligible to membership. John L. Thompson, assistant manager of Kentucky Inspection Bureau, is advising the procedure. The plan is to have equipment in plants

standardized with that of nearby city fire departments.

Atlantic Mutual Fire of Savannah has notified the Ohio department that it will no longer write insurance in that state.

## M. & C. Coverage Question Decided

A decision was given by Kentucky court of appeals against Ocean Accident on a question of whether a loss that occurred was an accident under the terms of a manufacturers and contractors liability policy. The case was Koch vs. Ocean Accident.

Harry A. Koch, a Louisville contractor, was the insured. Cable Colored Baptist Church at Louisville was damaged by fire Dec. 16, 1945, and the insurer, Camden Fire, employed Koch to repair the damage. Koch's employees, in making the repairs, joined a floor joist to a wooden header which replaced a header that had been destroyed by the fire. The new header was installed so that it was placed in contact with the breast of the chimney. The members of the church built a fire in the furnace to warm the building for a New Year's eve "watch service" Dec. 31, 1945. The heat ignited the wooden header causing a second fire which damaged the church.

The church filed an action against Koch and Camden Fire and a settlement was reached for \$3,000.

Ocean Accident denied liability on the ground that the burning of the church was not an accident within the meaning of the policy.

### Theory of the Contractor

Koch alleged that his employees, through inadvertence, mistake and by accident, installed the new header so that it was placed in contact with the breast of the chimney, thereby causing the chimney to have a defective flue; that on Dec. 31, 1945, prior to the completion of the work on the church, Koch's workmen, not knowing that the flue had been caused to be defective, permitted the church people to build a fire; that the church group, not knowing of the defective flue, built the fire "thereby unintentionally and accidentally caused the fire . . . to ignite the wooden header" and as a result "accidentally and unintentionally caused the church to be destroyed by fire."

Ocean Accident insisted that the policy was not one to indemnify Koch against loss arising out of the incompetence of his employees in designing or making repairs; that it is not a policy to indemnify Koch against loss arising out of claims based on defective workmanship, design or materials. The lower court sustained Ocean Accident's demurrer.

### Views of Court

The higher court, however, said the policy indemnifies for liability imposed upon the contractor for damages "caused by accident and arising out of the hazards hereinafter defined." One of the "hazards" defined is "use of the premises, and all operations during the policy period which are necessary or incidental thereto." One of the "undertakings" of the contractor which required the use of the premises and operations thereon included carpentry.

As a result of bad carpentry, an operation on the premises, the contractor created a definite hazard. As a result an accident occurred. There is nothing, the court said, which requires the accident to occur immediately upon the creation of the hazard or while the contractor's employees are on the premises. The contract may thus be construed as covering the operation on the premises in the performance of a covered undertaking which creates a hazard out of which an accident arose causing the destruction of property resulting in the legal liability of the contractor.

The higher court reversed the judgment with directions to overrule the demurrer and for proceedings not inconsistent with the opinion of the higher court.

Herb Wilson, local agent at Everett, Wash., has been mentioned as a possible candidate for the Republican nomination for Congress.

## Reinsurance Companies

	Countrywide		Underwriting Ratios		Expenses Analysis		Taxes & fees to	
	Net Premiums written	Net Premiums earned	Losses incurred to earned	Exp. (adj.)†	Claim exp. to earned	Comm. to written	Other acq. to earned	Gen. to earned
American Reins. Co.—	\$2,288,019	\$2,278,549	88.7	30.6	—19.3	3	24.7	2.5
Employers Reins.—	10,698,022	10,378,682	76.1	42.7	—18.8	5.3	35.4	2.2
European General Reins.—	7,578,592	6,644,592	62.7	50.6	—13.3	4.9	44.3	1.1
Excess Ins. of America—	1,096,923	1,006,530	56.9	42.1	1.0	3.7	30.6	3.2
General Reins.—	4,248,991	4,494,108	79.7	42.3	—22.0	4.9	33.7	1.7
N. A. Cas. & Sur. Reins.—	9,443	284,443	53.5	—99.2	145.7	4.6	—104.2	—4
Totals—Reins. Companies	\$25,919,990	\$25,086,904	73.3	44.4	—17.7	4.6	36.5	1.2

## Mutual Companies

Allied American Mut. Fire	\$235,288	\$83,283	89.1	25.2	—14.3	6.0	—10.5	3.2	22.1	4.4
Amalgamated Mut. Auto—	513,354	504,753	84.2	30.9	—15.1	20.4	—	4.0	3.9	2.6
American Mut. Liab.—	7,903,291	7,987,729	54.5	32.2	13.3	9.0	10.0	5.9	4.6	2.7
Atlantic Mut. Ins.—	869,645	793,446	33.4	64.6	2.0	19.5	15.4	10.3	13.8	5.6
Badger Mut. Fire —	39,523	21,822	55.9	48.9	—4.8	4.4	44.5	—	—	—
Coal Merchants Mutual—	614,874	569,582	47.0	42.5	10.5	15.6	11.7	4.2	5.4	5.6
Cosmopolitan Mut. Casualty	584,690	559,807	64.1	37.4	—1.5	11.5	8.8	4.8	6.1	6.2
Electric Mut. Liab.—	168,317	163,493	31.6	10.5	57.9	6.2	—	1.6	7	2.0
Empire Mut. Casualty—	2,099,460	1,792,749	63.4	25.4	11.2	14.2	1.6	3.1	3.1	3.4
Employers Mut. Liab.—	4,813,984	5,149,684	54.4	30.9	14.7	10.3	4.1	9.6	4.4	2.5
Exchange Mut. Indemnity	495,818	484,335	53.5	30.7	15.8	7.2	13.1	—	6.3	4.1
Factory Mut. Liab.—	3,571,689	3,420,362	42.0	21.2	36.8	6.8	1	7.6	5.5	1.2
Farm Bureau Mut. Auto—	14,202,686	13,485,686	63.6	36.6	—2	10.7	6.9	10.1	6.5	2.4
Hardware Mut. Casualty—	9,540,105	9,338,325	53.3	32.1	14.6	8.6	1	16.0	5.3	2.1
Ideal Mutual —	409,306	410,247	63.0	19.1	17.9	13.5	1	1	2.1	3.3
Interboro Mut. Indemnity	968,644	970,963	66.3	31.2	2.5	13.2	2.0	5.2	6.4	4.4
Jamestown Mutual —	707,760	735,964	44.3	41.4	14.3	11.6	10.4	5.3	8.4	5.7
Liberty Mut. Fire —	7,224	3,612	89.8	44.7	—34.5	—	—	30.0	11.7	3.0
Liberty Mutual —	21,168,566	19,991,353	45.7	29.4	24.9	11.1	—	12.3	3.4	2.6
Lumber Mut. Casualty—	475,042	454,912	49.4	45.0	5.6	15.9	8.6	4.3	11.0	5.2
L'mb'rmen's Mut. Cas. (Chi.)	24,956,774	23,376,744	48.9	36.4	14.7	7.6	14.3	7.0	4.7	2.8
Merchants Mut. Casualty—	3,685,091	3,447,619	51.9	46.6	1.5	15.8	10.2	5.9	7.8	6.9
Michigan Mut. Liab.—	3,858,873	3,718,979	62.2	38.8	—1.0	9.3	10.1	13.7	4.2	1.5
Mutual Implemt & Hardw.	826,154	706,775	57.6	52.3	—9.9	14.4	—4.1	24.3	14.1	3.6
Nat'l Grange Mut. Liab.—	3,262,256	3,115,512	40.5	33.9	25.6	8.1	12.6	7.4	2.8	3.0
N. Y. Printers & Bookbind	38,311	32,963	54.9	20.0	25.1	6.4	1	2.1	6.0	5.4
Penn. Thresh. & Farmers'	3,925,697	3,827,487	52.1	40.5	7.4	8.6	22.3	4.1	4.0	1.5
Public Service Mut.—	1,806,493	1,714,012	58.8	37.3	3.9	13.7	8.6	4.5	7.3	3.2
Security Mut. Cas., Chi.—	493,916	494,119	102.6	22.0	—24.6	9.7	7.8	2.6	6	1.3
Security Mut. Liab., N.Y.C.	301,811	241,256	55.2	40.8	4.0	14.0	9.4	4.8	8.2	4.4
Utica Mutual —	5,797,474	5,756,882	45.8	33.9	20.3	8.5	12.8	4.2	4.5	3.9
Totals—Mutual Companies	\$118,342,116	\$113,354,455	52.1	33.6	14.3	9.8	7.0	9.1	4.9	2.8

## Argue Milwaukee Rates

MADISON, WIS.—At the final hearing for lower fire insurance rates for Milwaukee, Commissioner Lange indicated he would rule on the petition in a written decision in the near future.

Asst. City Atty. Harry Slater of Milwaukee charged that insurance companies made a 14% "excess profit" on Milwaukee business in the period 1945-49, compared with 2% for the state as a whole. He added that the money spent by Milwaukee taxpayers for fire prevention and fighting activities and equipment accounted for the low fire losses in the city, and insisted that the residents were therefore entitled to lower rates.

Rates must be set on the basis of the record for the entire state, not for a single city, Robert M. Rieser, attorney for the Wisconsin Fire Insurance Rating Bureau and companies stated.

## Botsfield to St. Louis

C. Wayne Botsfield has joined the W. A. Jack agency of St. Louis. He attended Washington University and was a lieutenant in the army. He has been with the Russell Proctor agency of Bloomington, Ill., for three years.

Before entering the local agency business Mr. Jack was manager for Royal at St. Louis.

## Schollander at Independence

W. L. Schollander, Kansas state agent of the St. Paul group, Wichita, spoke at the June meeting of Independence Insurance Board on the farmers comprehensive liability form.

## Rucker Opens Office

Earl E. Rucker has resigned as manager of Walter Zener Adjustment Co. at Denver to open his own organization operating as Rucker Adjustment Co. at 1122 Sherman street, Denver.

## Wis. Safety Essay Contest

MILWAUKEE—Wisconsin Assn. of Insurance Agents is sponsoring a new statewide highway traffic safety program. Sidney E. Nelson, Racine, and John W. Lewis, Janesville, are co-chairmen of the committee in charge. The program is designed for every local agent to participate in his own locality either through his local board or association, or as an individual agent where there is no local organization. It features an essay contest for high school students on "How Teen-Agers Can Become Safer Drivers."

Local contests will close by Oct. 10, and the winning essays from each county are to be mailed to the executive office at Milwaukee. The state winner will receive a free trip to Milwaukee for the convention of the state association Oct. 24-26 and will receive a \$100 prize at the banquet.

## Van Patter On Own

H. W. Van Patter has opened his own independent adjusting office in the Chester-Twelfth building, Cleveland, to handle fire allied lines and inland marine losses.

Mr. Van Patter has had 21 years' experience as a general adjuster. He was formerly with Western Adjustment at Cleveland.

## Pearce Linn County Chief

Linn County (Ore.) Assn. of Insurance Agents has elected Jack Pearce, Albany, president; Ed Bilyou, Lebanon, vice-president, and Robert W. Fox, Albany, secretary.

## Inspecting Lansing, Mich.

National Board has started an inspection of Lansing, Mich., the first in 17 years. Engineers of Michigan Inspection Bureau will participate.

## Adopts Accounting Changes

HARRISBURG, PA. — The Pennsylvania department has adopted the amendments to uniform classifications of expense regulations adopted by National Assn. of Insurance Commissioners at its Quebec meeting.

The only discussions during a public hearing were initiated by representatives of mutuals and revolved around the differences between flat license fees imposed by some municipalities in such states as Florida and Missouri, and local taxes on premiums. Commissioner Alexander proposed that N.A.I.C. be asked to request from each insurance department a report to the departments of other states showing in detail the various forms of insurance taxes and fees levied by the municipalities.

The amendments become effective Jan. 8, 1951. Mr. Alexander said, however, there is no objection to use of the new regulations in the 1950 accounting year.

## Knoxville Exchange Elects

KNOXVILLE, TENN. — Knoxville Insurance Exchange has elected William Poe, president; Robert Scott, vice-president; Robert Sims, secretary; Howard Sprangle, treasurer. Tribute was paid to Marcus Nickerson, who had served as secretary of the exchange for 26 years.

## Plan Ohio Fire Training Session

The fire safety training conference of Ohio Fire Brigade Assn. will be conducted at Ohio State University Sept. 11-13. This is an organization which assists in the training of industrial brigades.

The conference will be divided into two groups, one providing advance instruction and training, and the other for persons desiring to organize fire brigades.

## Michigan Agents' Group Plan Gaining Acceptance

LANSING, MICH.—Michigan Assn. of Insurance Agents is finding wide acceptance within its membership for its group insurance plan. A bulletin summarizing the first seven month's operation notes that 478 agencies are insured under the plan, including 1,391 persons for life insurance; 867 for accident and sickness; 1,397 for hospital and surgical. Benefits paid to date total \$29,177.

In addition to agency executives, all members of the agency staff and their dependents are permitted to participate in the program. New member agencies become eligible to come under the plan after 30 days after affiliating and new employees also are eligible after the same time. They must make application at that time or, if later, must supply satisfactory evidence of insurability. The highest monthly premium is \$15.57 for the principal in an agency with two or more dependents. This includes life, A. & H., hospital and surgical benefits. It ranges down to 85 cents a month for life insurance only for a member of the agency's clerical staff.

## Credit Information Exchange in Atlanta

An exchange of credit information service will be instituted by Atlanta Assn. of Insurance Agents beginning Aug. 1.

Through Secretary George DuR. Fairleigh, the association is compiling from its members a card index of all assured canceled for non-payment during the past year or more, which list will be added to month by month. The cards will show name of assured, address, date of policy, coverage, amount, and remarks.

Only members who cooperate in furnishing information will be given access to the records, which will be maintained in the association's offices. Each card will be keyed to the agency reporting the information. The name of the reporting agency will not be divulged to the inquirer, but the reporting agency will be notified at the time of an inquiry on one of his non-payments, and he must decide if he voluntarily desires to give further information to the inquirer.

Members reporting assured canceled for non-payment are cautioned not to report cancellations for any other reasons. The intent of the program "is to record actual 'dead-beats' and those assured who may be trying to obtain coverage through a sequence of agencies by taking advantage of flat cancellation periods."

## New Mo. Representative

George Oppenheimer of Kansas City, president Missouri Assn. of Insurance Agents, has been named Missouri's representative to the Midwest Territorial Conference. He succeeds Clifford C. Jackson of Mountain Grove, Mo., who was elected secretary of the conference at its meeting at St. Louis earlier this year.

## Boost Adrian School Cover

ADRIAN, MICH.—The Adrian board of education voted to increase fire coverage on school properties by \$661,710 to bring coverage up to 90% coinsurance requirements. Harry Moran, local agent, placed current replacement cost at \$2,911,000. North America will issue one policy replacing seven previously in force. The board stipulated, however, that the agencies formerly participating in the business share in the new contract.

## West Joins Local Agency

John P. West, Pacific Coast manager of Manufacturers' and Merchants Indemnity, has resigned to join the J. B. Henderson agency at Alhambra, Cal., as partner. The new agency name is J. B. Henderson & Associates.



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Exceptionally fine wood-carving beautifies this rosewood piano

AN AURA of mystery long surrounded the Campbell House in downtown St. Louis where two wealthy bachelors lived behind closely shuttered windows. The two recluses were the sons of Robert Campbell who crossed the plains and won wealth in the early days of the West. Among his companions were Kit Carson, Jim Bridger and other notables of that adventurous era, and Campbell's own exploits as fur trader and Indian fighter have been mentioned by several writers including Washington Irving.

At the age of twenty, Campbell came to St. Louis from Ireland in 1824, and the following year joined an overland expedition for the sake of his health. In time he became a trapper and later co-owner of an important fur trading company.

Before the famous battle with the Blackfeet at Pierre's Hole, Campbell and his friend William Sublette made their wills as they dashed forward on horseback to join the fray, each naming the other executor. During the fight Campbell displayed great bravery by carrying his wounded friend to safety under fire. Despite his numerous hostile encounters with the Indians his fairness and integrity won their lasting respect.

After amassing a fortune in beaver pelts, Campbell returned to St. Louis in 1836 and became one of the town's most influential citizens, serving as president of two banks, owner of the Southern Hotel and much real estate. In 1854 he acquired the Campbell House which had been built in 1851.

During the Mexican War Campbell



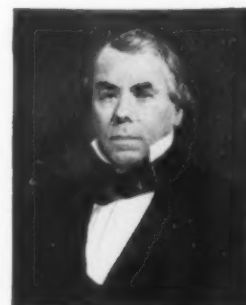
played a prominent part by recruiting and equipping four regiments for General Kearny's march to Santa Fe. His long-standing friendship with the Indians was put to use when he joined Father De Smet, the great missionary, in a treaty council at Fort Laramie and again when he served as member of the Indian Commission appointed by President Grant.

Campbell's death in 1879 was followed by his wife's three years later after which the house passed to their sons who lived in seclusion, jealously guarding it from change. Thus in 1941 when a

*Famous American Homes*

# THE CAMPBELL HOUSE

*bought  
with beaver pelts*



group of public-spirited organizations and citizens raised the money to purchase the house from Yale University to which it had been deeded, the fine old 19th century dwelling remained just as it was

in Campbell's day. Under the auspices of the Campbell House Foundation it is now a museum, preserving the atmosphere of the city's "golden decade" of the 1850's.

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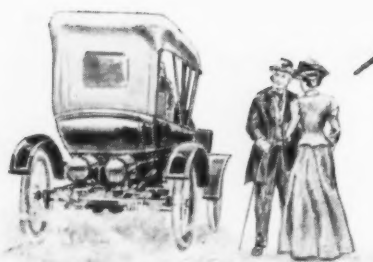
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**"AUTOMOBILES  
WILL NEVER  
BE PRACTICAL!"**



Some people find it hard to accept a new idea.

Thousands scoffed at the early telephones and horseless carriages and airplanes. Where was the need for such "contraptions"?

Others could see in these inventions the answers to public needs and with courage and faith made fortunes from them.

The big new idea in property and casualty insurance is the Multiple Line Policy. North America has been a leader in advocating legislation throughout the country to make multiple line insurance possible. All but eight states have adopted such legislation.

A few Agents may sit back and say, "It isn't practical."

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